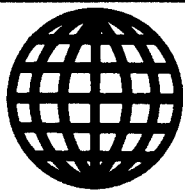


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28 DECEMBER 1989



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HUNGARY

Hungarian People's Party Holds Plenary Electoral Meeting

90EC0145A Budapest MAGYAR NEMZET in
Hungarian 20 Nov 89 p 3

[Article by N. L. Cs.: "Our Own Road to Europe, According to the Hungarian People's Party"]

[Text] On Saturday, the Hungarian People's Party held its expanded board meeting at the Budakeszi Ferenc Erkel Cultural Home. In his presidential opening remarks Janos Marton, the managing director, greeted the various party representatives and stated that throughout Europe the view is spreading that our continent is witnessing a new era in its history.

"The dividing line which separated our country from the 1000-year-old cultural community is collapsing before our eyes," he said. "It raises concern that, as has happened so many times before, Europe will once again respond to our approach with a cool, calculating smile, oblivious of the fact that this is the second time in 40 years that we have embarked upon the mine field, designating a path and a direction for those who will follow. But our confidence is greater than our concern, because we can see the way the old values of Christianity prevail. Human dignity did not get lost in a single country in the course of revolutionary transformation, nor did radicalism, which has lost its power and which fears the loss of power, amount to more than words. There is nothing more miserable these days than to see the fully armored politician waiting to fight, while not noticing that his audience has vanished. Voters are able to sense that our opportunities in domestic and foreign policy have fundamentally changed. Unfortunately, local democracies were not able to evolve.

"The economy, and primarily agriculture occupy a prominent place in the Hungarian People's Party program," he continued. "We were first to publicize our economic program, and we discover that our most important positions are being restated in every party's program. We are also pleased to know that other parties have incorporated in their programs the ideas of giving an equal rank to economic culture, and that they treat the countryside as an adult. Our initiatives aimed at establishing committees to prepare for the settlement of land-related issues are becoming a reality these days. All the actions we take aim at becoming worthy of the noble legacy of the National Peasant Party and the Petofi Party, and at being worthy of performing the national task of building a democratic Hungary. We support the changes that save values and peaceful transition by rising above all kinds of party interests. In doing so we prove that we do not intend to be a party of the masses. Instead we chose the slow path of building a high quality party. Perhaps we are the only party that was not divided by ambitious endeavors that resulted in party splits. We are not receiving, and we are not asking for foreign money;

at the same time we are not assisting new colonization endeavors either. Decency seldom produces quick success in politics. So then, for what purpose should we be involved in politics? The answer to this question was provided by Peter Veres: We are involved in politics so that we do not become an ever-bearing dumb oak tree belonging to everyone."

Following the presidential opening statement various section leaders reported their activities. Thereafter the invited guests were called upon to speak. First, Bela Szeremley, agricultural section leader, told the meeting that to this date, the agricultural program of the Hungarian People's Party has withstood the test in the midst of election debates and increased interest. At this time, as a result of democratic changes, it may be possible for arable land to be transferred for use or into the ownership of its real masters, its proper owners. The productive individual and the land have always constituted the central issue in Hungarian agricultural policies. The Hungarian people are the masters of the land, and the Hungarian people must remain the owners of that land. Discontinuing the disadvantaged situation of the countryside constitutes a definitive issue from the standpoint of uplifting the nation. In recent months the role of the countryside has appreciated, and land has become the source of promises made by various parties. In the framework of often radical programs one hears promises, the realization of which falls far away from reality. In its faith the Hungarian People's Party professes to be the heir of Imre Kovacs, Laszlo Nemeth, and Istvan Bibo, all of whom believed that every country must travel its own path. Thus, under our peculiar conditions, we must travel our own, appropriate path, because that path can lead us to Europe, a place we want to join with our heads raised.

With regard to the settlement of the land issue, the party regards the conditions that prevailed in 1947 as the basis. Divisible land should be transferred on the basis of land registers, while indivisible land should be assigned in the form of shares to the owners of those who work there, and to autonomous governments. The interest of protecting production dictates that it is necessary to establish a form of subsidy based on the protective system, commensurate with West European practice. The development of new commercial and credit conditions is also indispensable.

Dr Sandor Keresztes greeted the participants on behalf of the Christian Democratic People's Party. Keresztes said that the Hungarian People's Party was a political ally capable of rising above party politics for the sake of the country. In the course of negotiations it became apparent that both parties regard progress as a matter of primary concern, because these days the goal is not merely to accomplish a transition from dictatorship to a constitutional state, but also to find our place in Europe. And in this struggle our conscience and our sense of responsibility dictate that observing the agreements reached with reform forces that play a significant role in bringing about change is a moral obligation and a matter

of conscience. And although they are taking no position with regard to the referendum, the Christian Democratic Party would do as the Hungarian People's Party does, to vote one "nay" and three "yaes".

On behalf of the Hungarian People's Party, Laszlo Kotz, ownership section leader, stressed that it is the party's goal to replace the idea of having state ownership with the reality of establishing a state of owners. He said that there was a need for state property, but only in appropriate proportions. Contrary to the position taken by the Smallholders Party, the Hungarian People's Party does not intend to discontinue producer cooperatives because such action would lead to disturbances in the provision of food supplies.

On behalf of the Independent Smallholders and Agricultural Workers Party, Miklos Borz underscored the fact that the two parties have identical goals: They all perceive a happy and free Hungary, and the differences pertain only to the manner in which this can be accomplished. Such differences are natural in a multiparty system.

Representing the autonomous government section, Laszlo S. Hegedus mentioned that in the past 40 years people residing in the countryside have been aggrieved by two significant matters. Independent farmers have sunk to the level of second rate hired laborers, and they have lost their sovereignty, which they had been able to preserve even during the years of Turkish occupation and during the Bach era. Accordingly, it is necessary to establish as soon as possible popular representation based on Parliament and on local autonomous governments.

On behalf of the entrepreneurs' section, Dr Bela Locsmandy stressed that entrepreneurship is the key word in their endeavors, and that conditions for entrepreneurship must be established as soon as possible.

Konrad Salamon spoke on behalf of the Hungarian Democratic Forum [MDF]. At first he discussed the identical features of the two organizations, then addressed the referendum issue: The MDF prefers to organize low cost marketplaces rather than popular referendums costing hundreds of millions of forints, because in a crisis situation it is always possible to find 100,000 dissatisfied people willing to sign. Such actions, however, do not resolve our concerns.

Agnes Fazekas spoke on behalf of the Independent Social Democratic Party and said that having read their watchwords she feels that the Independent Social Democratic Party and the Hungarian People's Party should be seated at the same table.

Thereafter Csaba Varga, the Hungarian People's Party's national secretary rose to speak. He stressed that the party has manifested not only the fact of its existence, but also that it has strength, faith, and a clear program, and that it wants to become a party that truly belongs to the people.

"We are talking not only about power, but above all of the fact that there should be self-government throughout this country. No other party is as committed as we are in wanting to become the nation's party, a self-conscious party that serves the nation and has character. We differ from other parties by clearly defining that it is our elementary obligation to stand up for those experiencing the greatest trouble. Only a very few parties today speak of morals, yet we are talking about morals because our party cannot be corrupted, and it does not want to pursue swing policies. This party wants to manifest good moral conduct at all times. We also differ from other parties in the sense that we are fighting so that every citizen has his own economic and political property. We want a state that belongs to owners. Our watchword may be expressed in a single sentence: Let's have another 1,000 years!"

In addressing the issues surrounding preparations for elections and the referendum, Varga said that their party was observing the agreement that was reached, and it is for this reason that they are saying one "yae" and three "nays," because democracy will come about only if the people can elect the president in the course of a popular referendum, and not if the Parliament elects the president based on bargaining agreements reached by the parties.

Csaba Vass greeted the meeting on behalf of the Hungarian Socialist Party [MSZP]. He discussed the two parties' endeavors that are in part identical, and the possibility of cooperation, for example in the course of electing a president of the republic.

In the early evening hours the meeting adopted a resolution stating that inasmuch as legal barriers may be removed, the party will nominate Andras Suto as its candidate for the presidency. In the event that legal barriers cannot be removed, they will leave the decision to each individual's conscience. The party will support a politician who enjoys the people's confidence, and is accepted by Europe and by the entire world as a negotiating partner. They also decided to run a candidate in each individual voting district.

A press conference was held after the meeting. Asked why so few members of the agricultural intelligentsia and youth may be found among the members of the Hungarian People's Party, Janos Marton said that the reasons should be sought in the circumstances of communist feudalism that prevailed in the countryside. After all, in the countryside the agricultural intelligentsia could establish an existence commensurate to its position only if it joined the Hungarian Socialist Workers Party [MSZMP]. This linkage continues to be strong even today. On the other hand, it is encouraging that agricultural reform circles and some directors of state enterprises joined the Hungarian People's Party with their organizations. Komsomolist upbringing is one reason why youth is absent. Responding to a question concerning the election coalition that was offered, Varga said that before anything else takes place the MSZP and

the Independent Social Democratic Party must clarify their own positions. A coalition with the MSZP would be conceivable if that party became similar to the Spanish and the Italian socialist parties. The Independent Social Democratic Party must prove its true left of center character. Speaking of the MDF Varga said that the parties of the national center agree with regard to many things, nevertheless the liberal representatives of the liberal smallholders could hardly become fellow coalition members. He spoke of the Christian Democratic People's Party as the sister party. Nevertheless, the issue of coalition should be discussed only after the elections.

Debrecen Opposition Roundtable Excludes MDF

Referendum Boycott Cited

90EC0137A Budapest NEPSZABADSAG in Hungarian
17 Nov 89 p 1

[Excerpt] [Passage omitted] At its Wednesday [15 Nov] meeting the Debrecen Opposition Roundtable excluded from among its members the Debrecen organization of the Hungarian Democratic Forum [MDF], according to a National Press Service report. The exclusion expires on 8 January 1990. The primary reason for the exclusion is MDF's call to boycott the popular referendum.

MDF Response

90EC0137B Budapest MAGYAR NEMZET in
Hungarian 18 Nov 89 p 18

[Text] On 16 November four organizations of the Debrecen Opposition Roundtable (Alliance of Free Democrats [SZDSZ], Association of Young Democrats [FIDESZ], the Social Democratic Party, and the Smallholders Party), presenting themselves as the entire membership of the Opposition Roundtable, publicized a statement according to which the Debrecen organization of the MDF was excluded from the workings of the Opposition Roundtable for a certain period of time. In conjunction with this action the presidium of the MDF Debrecen organization makes the following statement: The decision was reached at an ad hoc meeting at which all fully authorized and consulting members of the Roundtable were not present. The MDF leaders were not notified in advance of the meeting. We learned that in reaching this decision, two of the signatories were not present, and that their signatures were affixed subsequently to the completed position statement. We have the following comments on the charges leveled against us: The MDF National Presidium recommendation in regard to the referendum is not binding on all local organizations, its purpose is merely to provide political orientation. Considering this fact, we could not have delimited ourselves from the recommendation. It is difficult to judge the falsehood contained in the statement made by the four organizations, according to which the MDF claims all credit for certain initiatives (discontinuation of the Soviet air base, removal of red stars). There is repeated proof concerning this matter in local and national press reports. In summary we state that we

were shocked and outraged to learn of the position taken by the four parties. The MDF regards the four organizations' exclusionary attempts as null and void, because they have no right to exclude us. We will continue to determine whether we should participate in the Debrecen Opposition Roundtable.

MDF Presidium Member Reacts

90EC0137C Budapest NEPSZABADSAG in Hungarian
20 Nov 89 p 4

[Interview with Gabor Turi, MDF Debrecen presidium member, by Janos T. Rac: "400 People Excluded Another 400"; date and place not given]

[Excerpt] [Passage omitted] At a press conference we asked Debrecen MDF presidium member Gabor Turi to shed light on the background of the MDF statement.

[Turi] We have given previous consideration to the question of whether it is worthwhile for us to participate in the activities of the Debrecen Opposition Roundtable. We were disturbed several times by the irresponsible, self-serving, proclamation-like actions taken by some participants. Amid the loud volume and bombastic tone of these actions there was hardly an opportunity for our way of political action which is characterized by moderate and constructive positions.

[NEPSZABADSAG] This week you said that in a country clouded by financial collapse the selfish interests and political propaganda purposes of a minority party with regard to the presidential election debate distract attention from more essential issues. But did the MDF exert sufficient effort to allow those more important issues to play the lead role in the unity of opposition action?

[Turi] We tried everything, I believe. It is yet another issue that according to the Opposition Roundtable Rules of Procedure the MDF organization had only one vote, while FIDESZ, which at the time was operating with two groups and had 30 members, had only two votes. Assuming that the opposition members not present at the meeting would have voted in the affirmative, they removed barely more than 400 people as a result of this "exclusionary" action. Nevertheless, our willingness to reach an agreement is prompted by the force of the peculiar order of voting in the Opposition Roundtable, but more by our principles. In the days when the first roundtable negotiations with the Hungarian Socialist Workers Party [MSZMP] took place, we removed ourselves somewhat from the Opposition Roundtable's political statement, because we did not agree with the summary and undifferentiated judgment expressed about the past 4 decades. Nevertheless, considering the joint interests of the opposition we did not upset the company seated around the table. We manifested this kind of conduct from the outset, therefore the accusation that we had expropriated certain initiatives is also untrue. In the framework of our action aiming for the discontinuation of the Soviet military airfield we sought

the support of other opposition organizations. This initiative of ours remained an uncertainty on their part; we are just standing here amazed trying to find out what kind of expropriation they are apprehensive about.

[NEPSZABADSAG] What will happen hereafter?

[Turi] This is linked to the matter of what took place before. Well, we have agreed prior to the "exclusionary" decision of the four organizations that the Debrecen Opposition Roundtable has served its purpose and therefore it will disband soon at a friendly dinner. Perhaps now we will be deprived of a dinner, but we will have been enriched by some experience. We hope that everyone will benefit from this experience.

Oroszlany MDF Rejects Boycott

*90EC0137D Budapest NEPSZABADSAG in Hungarian
20 Nov 89 p 4*

[Text] The Oroszlany MDF organization released the following statement to the National Press Service:

"Our membership was deeply outraged by the MDF Presidium television announcement in which it motivated listeners to boycott the popular referendum. We cannot understand their antidemocratic action and regard it as unacceptable. This organization struggles with the apathy of the people and hereafter will not be able to perform its function with conviction. Therefore this organization has decided that as of 17 November 1989 it will discontinue its operations. Remaining membership dues will be spent on a reverential memorial to be established in this city."

Warsaw Pact Loosening May Become Election Issue

*90EC0130A Hamburg DIE ZEIT in German
17 Nov 89 p 52*

[Article by Peter Hardi, chief of Foreign Policy Institute, Budapest: "From Bloc to Alliance?"]

[Text] Why is it that some East European—most of all Hungarian—politicians are so intent on talking about the need "to strengthen the political aspect of the Warsaw Pact while weakening its military aspects?" What is behind such statements?

I think the answer is simple. The whole matter is a euphemism which subsumes two separate problems. On the one hand, the politicians do not want to see the Warsaw Pact abrogated in its entirety or are afraid to call for it and on the other hand, they are trying to meet the mood of public opinion in their own country halfway.

The public, for its part, is interested in two things, i.e., the withdrawal of Soviet troops from Hungary and the strengthening of national sovereignty. Based on the logic underlying the slogans being employed, the call for curtailing the military aspects of the Warsaw Pact simply means the reduction and ultimate withdrawal of Soviet

troops from Hungary and, at the same time, a guarantee against military intervention. The Hungarians remember 1956, 1968, and 1979 only too well. The possibility of an intervention by the Soviet Union or the Warsaw Pact is still one of the available options—despite all the assurances that the Brezhnev doctrine is dead.

Nonetheless, the arguments in favor of strengthening the political aspects of the Warsaw Pact are not thought through well enough. The decisive difficulties which are to be remedied by this slogan are based on the political structure of the alliance as such in that it allows the Soviet Union to play the dominant role and to monopolize all decisions. The conditions for the deployment of troops and the actual use of military forces are still set down in secret and inaccessible agreements. But both of these matters are problems of a fundamentally political nature; they are both based on the political nature of the Warsaw Pact.

This has been apparent time and again, ever since the signing of the Warsaw Pact in 1955. Stalin had set up a buffer zone on the western borders of the Soviet Union even prior to the establishment of the bloc. The subsequent Warsaw Pact retained the character of a buffer zone. At the same time, it gave the central Soviet military authorities the right to dispose over the national armed forces of the East European nations and to demand whatever Moscow thought necessary, including greater defense expenditures.

This basic structure still exists today even though the military justification for this buffer zone has long since been rendered obsolete by the developments of modern warfare. At the same time, the Soviet Union has failed to create a genuine political community in Eastern Europe. Politics penetrated all other fields at all times, including bilateral and multilateral relations both of an economic and a military nature. The same applies to the Warsaw Pact which still is a primarily political organization.

In view of the political changes taking place in East Europe it would therefore make far more sense to reduce the political function of the Warsaw Pact rather than to strengthen it. If the alliance is not to be entirely dissolved as yet or if individual states are not yet prepared to quit it for domestic or foreign policy reasons, then the Pact should be clearly redefined as a military alliance, calling for specific obligations, working conditions and operational agreements acceptable to each of the member states. Such a redefinition should also unequivocally affirm the priority status assigned to national sovereignty.

Such operational guidelines would have to determine how the reduction or withdrawal of Soviet forces would proceed, while at the same time ruling out any military intervention within the Bloc. This latter commitment would rule out the use of military force to achieve political ends and thus the possibility of interference in

the internal affairs of each member country. The restructured alliance would no longer allow for any kind of political dictate. It should also do away with multilateral coordination in foreign policy and ideological conformity in domestic matters (both of which are anachronisms today).

The vehemence of popular resentment against the Warsaw Pact cannot simply be overlooked. The call for full sovereignty has already aroused the desire for neutrality. It will not be possible to exclude this issue from the upcoming Hungarian election campaign. It would therefore be much better to look for sensible, politically acceptable solutions for the Warsaw Pact rather than to allow oneself to be sidetracked by grandiloquent, albeit politically misleading, slogans.

Political Parties Study U.S. Politics

90EC0137E Budapest MAGYAR NEMZET in
Hungarian 17 Nov 89 p 2

[Article by "A. J.": "Representatives of Hungarian Parties Study American Elections"]

[Text] Eight representatives of several Hungarian parties have completed a 2-week study tour in the United States. The visitors examined the American election system and campaign methods, and declared that their trip was highly successful. On Thursday evening, prior to their departure for Hungary, they paid a visit at the Kossuth House in Washington, D.C., to pay their respects at the plaque commemorating the leader of Hungary's fight for freedom.

Bela Kiraly was one of the initiators of their trip. Travel expenses were paid by Gyorgy Soros, and the American information office USIA served as the host. Gyongyver Bardos (Hungarian Democratic Forum [MDF]), Lajos Bosze (MDF), Andras Komlos (Smallholders Party), Levente Levay (Alliance of Free Democrats [SZDSZ]), Miklos Lukacs (Christian Democratic Party), Zoltan Matuska (Association of Young Democrats [FIDESZ]), Ferenc Mozsi (Hungarian People's Party) and Tibor Varga (Social Democratic Party of Hungary [MSZDP]) took part in the tour. Prior to their departure they mentioned the fact that according to their letter of invitation, originally (i.e. prior to the early October party congress) a representative of the Hungarian Socialist Workers Party [MSZMP] was also invited by the Soros group, and that it appeared that some organizational problems made it impossible for the Hungarian Socialist Party [MSZP] to assign someone to take this trip. Nevertheless, the participants were told by their hosts that more trips like this will take place in the future.

Since a number of local elections were held in the United States on 7 November, and since perhaps the most exciting of these took place next door to the Federal capital, in Virginia (where for the first time in history a black politician became governor), the small group spent most of its time in Richmond, in addition to Washington. They were able to gather much direct experience

because they were dropped in the midst of a highly charged election struggle. Above all, they mentioned that they were able to assess the significance of personalities in a campaign, which cannot be separated from the candidate's linkage and his platform as seen by voters. The Hungarian visitors felt that it was very essential that party campaigns be waged by individuals who have an undisputed talent to speak. They found the importance, or perhaps the decisive role of social issues in the outcome of elections, such as the right to abortion in Virginia, to be interesting.

Nevertheless, the Hungarian party politicians noted that based on what they had seen, many of them may be satisfied with what they are doing in Hungary; they considered the fact that for the time being, contrary to the American campaign, some were concentrating on thoroughly convincing people personally, with less reliance on television as "not that bad." And, of course, they examined the relevant Virginia experience, because no doubt, the American parties are paying great attention to the occupations of individual voters. They do have an impressive battery of enviable technological means, starting with an adequate number of telephone sets....

Quite naturally, they had very many conversations, after all the group met with a number of American legislators (at the Capitol some two dozen members of Congress took part at a luncheon in their honor, and they were received by Senator Paul Simon of Illinois who is well versed in East European affairs, and, of course with Senator Charles Robb of Virginia. They also paid a visit to Housing and Urban Development Secretary Jack Kemp who called in most of his staff for the meeting). Wherever they went they conversed with the "man on the street" and were pleased to find a sudden increase of interest in Hungary. Accordingly, in the course of their visit they not only asked questions, they also had to answer many questions. The Americans were mainly interested in Hungary's presidential and parliamentary elections, including matters pertaining to public life. They were curious about the chances each party had, and were not surprised about the many parties that came into being. The Americans felt that it was natural for many parties to emerge following a single-party system. And members of the visiting group felt that their common impression that Americans truly hope that a peaceful transition will occur in Hungary is important. (Many Americans said that many are bothered by their conscience on this side of the ocean because of 1956 and the passive role played by the United States.) Each visitor noticed that no one in the United States encouraged them to adopt an anti-Soviet attitude, instead they were told to avoid going into extremes. The rapid pace by which changes in Eastern Europe evolve came as a surprise to everyone. This is one reason why the Hungarian visitors were questioned about a possible reversal of events.

Greens Hold Constituent Congress*90EC0145B Budapest MAGYAR NEMZET in Hungarian 20 Nov 89 p 3*

[Unattributed article: "Greens: A Livable Hungary"]

[Text] We, the Greens do not belong to either the Right or to the Left. Instead we are up front. This was stressed by environmental protectionists at the organizational meeting of their party. The new party intends to stand up for the free man and for a healthy environment.

On Saturday and Sunday the Hungarian Greens Party held its meeting at the TIT [Society for the Propagation of Scientific Knowledge] studio in Budapest. On the first day of the meeting they tried to clarify their positions regarding important political issues that preoccupy public opinion. Sociologist Andras Szekfu, one of the organizers of the Greens Party, reported views they had come across in the course of preparatory work. He recommended that the Greens Party support the popular referendum. Based on the traditions of the Danube movements, environmental protectionists could not reject this form of expression of opinion. In discussing the issues to be raised in the referendum Szekfu said about the presidential election that he would not be able to make a recommendation in this regard because the possible alternatives have not been sufficiently clarified and thus each individual Green must make his or her own decision. Regarding the rest of the issues, environmental protectionists should vote clearly in the affirmative.

The organizing congress of the Greens of Hungary continued on Sunday when they adopted a program statement and procedural rules of order. The conference approved the documents after lengthy debate. Among other matters, the program statement served as a reminder that the future of humanity is threatened as much by wasting natural resources and by the pollution of our environment, as it is by poverty and armed violence. Faith in limitless growth is becoming a source of increasing concern. The party's social model rejects the idea of a consumer society based on the idea of burglarizing humanity and nature.

According to the bylaws and the rules of procedure, an annual congress will be convened by the national base representation to be composed of delegates from individual area units. The national base organization will also perform control functions.

Following the approval of documents, a 15-member board of directors and an 8-member managing body were elected.

Thereafter the congress decided to dispatch a letter to the Council of Ministers. The Greens Party will be the first to call on the government of the Hungarian Republic to protest police conduct manifested at the 17 November Prague demonstration, which amounted to trampling on fundamental human civil rights. The protest should be

registered in the spirit of Helsinki. Further, the Greens Party felt that it was necessary to present the law that prohibits the possession of weapons for self-defense to Parliament. Similarly, they felt that it would be necessary to establish a superior environmental protection authority that is independent from water resource management issues, and that the personal consequences of decisions related to Bos-Nagymaros which disregarded environment protection issues should be drawn. They agreed with the resignation of Laszlo Marothy, but felt that the appointment of State Secretary Miklos Varga or Deputy Minister Ervin Zsuffa to the ministerial post was unacceptable. On the contrary, it was recommended that these persons be relieved of their duties, because the minister should not be blamed for the present situation alone.

Freedom Party Holds Congress in Jurta Theater*90EC0145C Budapest MAGYAR NEMZET in Hungarian 20 Nov 89 p 3*

[Text] The Freedom Party's second congress came to a conclusion on Sunday at the Jurta Theater. It is the legal successor to the Freedom Party established by Dezso Sulyok in the spring of 1946. The Party was registered in December 1946. The new party was formed earlier in the United States and unfurled its banner in Hungary last July.

During the 2-day meeting more than 100 participants developed the party's program, adopted its bylaws, debated organizational rules of procedure, and elected the permanent leadership. Erno Hoka of New York became president, and Kaposvar physician Dr Gyula Gueth became managing director.

POLAND**Polish-Lithuanian Round Table Seeks To Resolve Bilateral Issues***90EP0156A Warsaw RZECZPOSPOLITA in Polish 30 Oct 89 pp 1-2*

[Article by W. Krawczyk: "Polish-Lithuanian 'Round Table': Intergovernmental Agreements Needed; The Leaders of 'Sajudis' Did Not Come to Warsaw"]

[Text] The talks at the Polish-Lithuanian roundtable lasted more than 9 hours. That table was placed in the Concert Hall of the History Museum in Warsaw, and last Saturday, 28 October, 14 persons representing Poland and Lithuania as well as the Lithuanian minority in Poland and the Polish minority in Lithuania, sat down behind it.

The meeting was sponsored by the Polish National Club of Lovers of Lithuania, and it took place owing to the personal efforts of Dr. Leon Brodowski, the club's chairman. It was attended, and participated in during discussion, by about 100 persons, who included Sejm

deputies and senators, Solidarity and citizens' committee activists, enterprise directors and managers, representatives of the world of culture and science, and numerous reporters. Although they were invited, not one of the leaders of the Lithuanian perestroika movement, Sajudis, did attend.

Those sitting down at the roundtable itself were: Senator Piotr Andrzejewski, Anitset Brodovskiy (a Pole, deputy to the USSR Supreme Soviet from the Lithuanian SSR), Dr. Leon Brodowski, chairman of the Board of the Polish National Club of Lovers of Lithuania), Dr Medard Chobot, a physician (Association of Polish Scientists in Lithuania), Jozef Sygit Forencewicz (chairman of the Main Board of the Lithuanian Sociocultural Society with offices in Sejny, Suwalki Voivodship), Bronislaw Komorowski (a representative of Minister A. Hall), Professor Cheslav Kudaba (chairman of the Lithuanian Cultural Foundation), Professor Piotr Losowski (an expert on Polish-Lithuanian relations and chairman of the Program Council of the Polish National Club of Lovers of Lithuania), the Reverend Richardas Mikutavitsius (Lithuanian priest, rector of the Church of the Holy Virgin in Kovno), Senator Ryszard Reiff (chairman of the Senate's Commission on Emigration), Yan Senkevich (chairman of the Association of Poles in Lithuania), Krzysztof Szumski (director of the Consular Department at the Ministry of Foreign Affairs and representative of Minister K. Skubiszewski), Romuald Witkowski, (chief of Pusk Gmina [rural township], Suwalki Voivodship, where resides a large Lithuanian community), and Deputy Jerzy Wuttke (chairman of the Sejm Commission for the National Minorities).

Despite appeals for a conciliatory course of discussion, some of the speeches were of a polemical nature, becoming at times a recitation of injustices and prejudices, which, however, should not be surprising considering that before the war Polish-Lithuanian relations had been the worst possible and after 1945 they acquired a highly formalist, ritualized nature and took place through the mediation and in the constant presence of representatives of central authorities from Moscow.

The European context of Polish-Lithuanian relations was presented by Senator R. Reiff. He stated that a new "Spring of Nations" is taking place in Central Europe owing to the reforms of M. Gorbachev. "Communism has become," R. Reiff said, "morally, economically, ideologically, and politically bankrupt. Therefore, nowadays both Lithuania, which was incorporated in the Soviet state, and Poland, which is within the Soviet sphere of influence, must consider how to abandon communism. What is most needed is moderation and a peaceful method for resolving conflicts."

J. S. Forencewicz spoke about the situation of Lithuanians in Poland, where they live chiefly in Sejny and Pusk, Suwalki Voivodship. In Poland there are about five schools with instruction in Lithuanian, and their enrollment totals 600. Public contributions are being used to build the Lithuanian House of Culture, but the

completion of that project is not foreseeable. To be sure, the Lithuanian minority is publishing its own quarterly periodical, but so far it has not been possible to publish even one book in Lithuanian in the Polish People's Republic. There is no comparison between Lithuanians in Poland and Poles in Lithuania, he said.

Many comments and polemics were elicited by the speech of a Lithuanian priest, the Reverend R. Mikutavitsius, who declared that the decision not to introduce prayers in Polish at the Vilnius Cathedral is a matter of national pride to Lithuanians. He claimed that Poles would surely also react unfavorably if, say, prayers in German were to be introduced at St. John's Cathedral.

"That is a heathen and not Christian principle," Professor Zbigniew T. Wierzbicki rejoined. "Christianity is universal and I would not object to holding prayers in many languages at the cathedral in Wawel Castle." [N.B. Lithuanians had remained heathens long after Christianity was introduced in Poland, so that is a barbed reply—translator].

"Our mutual relations were dominated by fear and suspicion," commented Y. Senkevich, chairman of the Association of Poles in Lithuania. "This is due to, among other things, the 70-year reign of the totalitarian system of society, the absence of firm support for Sajudis among Poles, and the belief that Lithuania should be for Lithuanians only. Yet, there exists a parallel between the aspirations of Sajudis and those of the Poles living in the Lithuanian Republic. Sajudis aspires to rebuild Lithuanian statehood and create a law-governed and democratic state, but at the same time it refuses us the right to preserve our identity, an aim which we desire to accomplish by forming Polish-nationality territorial units. Insofar as Lithuania distances itself from the East and approaches the West, it cannot leapfrog Poland in this process. I believe," Senkevich continued, "that it is not clubs and associations but the Polish Sejm, Senate, government, and president themselves that should establish authentic dialogue between Poland and Lithuania."

Grzegorz Kostrzewa, chairman of the Commission for National Minorities at the [Solidarity] Citizens' Committee under Lech Walesa, said that there exists a chance for compromise between Poland and Lithuania, even though the leaders of Sajudis ignored today's meeting. "Consider that Lithuania has never received from Poland territorial guarantees, and that the Polish state should at present provide such guarantees. Lithuania is only one-tenth as large as Poland and it should not be surprising that it feels threatened. Just imagine an analogous if hypothetical situation in which Warsaw is surrounded by a German community of three million which is familiar with neither the Polish language nor Polish customs. Would not this cause Poles to be xenophobic? Poland is the natural path toward the internationalization of Lithuania, on condition that Lithuania is willing to be a tolerant civic state and not a one-nationality state."

A position on the decision of the Lithuanian government to curtail the reception of Poles was taken by Krzysztof Szumski, the representative of the minister of internal affairs. He said, "We are disturbed by this decision, especially considering that the arguments offered by the Lithuanian side are hardly convincing. We are in the process of talks on this subject with the Lithuanian and Soviet sides."

The eminent expert on Polish-Lithuanian relations Prof Piotr Lossowski appealed for discarding the Stalinist terminology employed in Lithuania toward Poland and Poles. "It pains us," he said, that we are referred to as 'White Poles' and Lithuanian textbooks call Jozef Pilsudski a 'invader' and compare him to Hitler and Stalin."

Several speakers raised the issue of economic cooperation. Proposals for founding joint enterprises were presented by, among others, Grzegorz Tuderek, the director of Budimex [a construction enterprise], whose employees are reconstructing architectural landmarks in Lithuania (including the cemetery in Rossa) and building waste treatment plants there.

The organizers of the Polish-Lithuanian roundtable scheduled the next meeting for the end of January 1990, following the elections to the Lithuanian parliament which will result in new authorities of the Lithuanian Republic.

POSTSCRIPT: Vice Speaker of the Senate Zofia Kuratowska met with Yan Senkevich, chairman of the Association of Poles in Lithuania.

September PZPR Voivodship Plenums Continue; Reform Topics Strong

Przemysl: Reorganization, Polling

*90EP0089A Warsaw TRYBUNA LUDU in Polish
29 Sep 89 p 3*

[Article by Ryszard Zatorski: "On the Second Attempt: Przemysl PZPR Voivodship Committee Plenum"]

[Text] The Thursday plenum continued the discussion begun on the previous Saturday. At that time the meeting was not able to make official decisions because it lacked the required quorum of two-thirds of the Voivodship Committee membership.

The new structural and organizational system for the work of the voivodship office was confirmed. Among other things, the number of problem commissions was limited to two, instead of the previous 11; an office to serve the party council members and deputies was formed; the plenum decided to expand economic activities supporting party funds.

The results of the survey in which about 8,000 members and candidates in Przemysl Voivodship participated were also reported: 86 percent supported broadening the

right to elect directly the delegates to the 11th congress; 82.5 percent were for recognizing the active and passive electoral rights of party candidates; 87.4 percent were for making participation in pre-congress discussions possible for a wide variety of groups; and 74.5 percent were for transforming the PZPR into a new party with a new program, charter, and name.

The recommendation of the voivodship reporting conference to call the 11th congress earlier and to accelerate preparatory work was confirmed.

In worker groups, holding the congress in 1989 outside of Warsaw like Katowice or Lodz has been proposed. A simplified, direct election of delegates was supported. Readiness to cooperate with all reform forces was expressed.

Biala Podlaska: Varied Propositions

*90EP0089B Warsaw TRYBUNA LUDU in Polish
30 Sep 89 p 2*

[Unattributed report: "Plenary Deliberations by PZPR Voivodship Committees: In the Rhythm of the Day Thinking of Tomorrow"; first two paragraphs TRYBUNA LUDU introduction]

[Text] On Friday 29 September 1989, the Biala Podlaska, Kalisz, Koszalin, Nowy Sacz, and Torun PZPR Voivodship Committees held their plenums.

All of the PZPR Voivodship Committees focused on questions deriving from the survey and the prospects for, and the changes taking place in, the party.

At the joint meeting of the Biala Podlaska PZPR Voivodship Committee and Voivodship Control and Review Commission there was no shortage of polemical comments and varied recommendations and proposals concerning the future of the party.

Edward Niemiec from Parczew proposed, among other things, holding the 11th congress in two sessions: programmatic and organizational. Edward Kepinski from Miedzyrzec Podlaski and Radoslaw Cichocki from Biala Podlaska drew attention to the lack of a vision of the party's future within the party. Thus, it is necessary first to develop a program and then hold the congress.

During the discussion a number of dramatic questions were posed. Will the 11th congress end with the formation of a new party or many? Will the new party rely on young people or lose the older comrades? Is the party to represent all or only some specific groups?

The plenum adopted a position on transforming the party and on the current socioeconomic problems and on the defense of the interests of the working people.

During the organizational portion of the plenum, the Voivodship Committee accepted the resignation of Andrzej Szot from his position as a secretary of the Voivodship Committee.

Kalisz: Rebuild Party Influence

90EP0089C Warsaw TRYBUNA LUDU in Polish
30 Sep 89 p 2

[Text]

The Voivodship Committee met for the first time after the June elections to the Sejm and Senate. "Why so late?" was the question asked during the discussion, and some even stated that the time had been lost for ever.

It is finally time to accept the loss of influence on the authority structures and to begin rebuilding the party's influence in society; in view of the galloping inflation and threats to the basic living standards of the working people, it is particularly necessary for someone to sound the alarm.

Jan Olszewski from Kalisz made the point the best: "When our party's government raised prices by a dozen or so percent, sometimes half of Poland rose up. And today prices are rising from day to day. The working people expect the party to take a position on this issue. We cannot simply sit quietly."

A report that one individual was lacking for a quorum caused much confusion during the deliberations. Thus, no resolutions were adopted, but positions of the assembled members of the Voivodship Committee were expressed. They emphasized, among other things, a desire for radical changes in the party on the part of the decisive majority taking part in the party-wide survey.

They decided to call the next plenary meeting of the Voivodship Committee as soon as possible.

Koszalin: Internal Conditions Reviewed

90EP0089D Warsaw TRYBUNA LUDU in Polish
30 Sep 89 p 2

[Text]

The deliberations of the Voivodship Committee, although they were to define the tasks for the preparations for the 11th congress, quickly changed into an evaluation of the current political condition of the entire voivodship party organization and of the Voivodship Committee itself.

The idea that it is necessary to close ranks, prepare well for the congress, which in turn should lay out a program of action for the Polish left, has been greatly strained by the survey. As many as 78.1 percent of the members supported forming a new party of the Polish left; 86.2 percent called for presenting the congress with competing programmatic, ideological, and organizational and political platforms; 81.6 percent supported direct elections of the delegates to the 11th congress.

In this situation, "closing ranks" around the current leadership and the old program aroused doubts among many of the 18 speakers.

Maciej Jabloniowski, a member of the Voivodship Committee, criticized the leadership of the Voivodship Committee. The speaker also called for joining the delegate election campaign with the reporting and election campaign in the voivodship party organization.

The discussion showed that there are still many wounds and mutual pretensions in the Koszalin voivodship office. In spite of encouragement, it has not been possible to create a positive program that would serve the party organization in current work.

The Voivodship Committee adopted the principle of creating gmina, city-gmina, and city congress commissions that in turn will delegate their representatives to the voivodship congress commission. In the adopted declaration, the Voivodship Committee called for holding the 11th congress in 1989.

During the closed session, the plenum gave a vote of confidence to the secretaries of the Voivodship Committee in a secret ballot.

Nowy Sacz: Youth Issues Viewed

90EP0089E Warsaw TRYBUNA LUDU in Polish
30 Sep 89 p 2

[Text]

Questions and doubts dominated the many-sided discussion. For example, Jozefa Parol of Luzna stated that young people do not want to belong to the same party to which Minc and Bierut belonged.

"We have had quite enough of listing the mistakes of the members of the party for past actions," is a fragment of a comment by Witoslaw Giedrojc. I am "responsible for the children of Arbat, for the times of Bierut, for the arrogant actions of Gierek, and for the sticky hands of the dignitaries. I believe that we should finally close the chapter of the PZPR's 40 years of existence. The historians will judge its achievements and failures."

The plenum made organizational changes in the structure of the Voivodship Committee. Among other things, it reduced the number of fulltime party officials by 30 percent, reduced the number of problem commissions, and replaced the fulltime secretaries in small gmina organizations with volunteer secretaries. It also formed a voivodship congress commission.

Torun: Member Polling Discussed

90EP0089F Warsaw TRYBUNA LUDU in Polish
30 Sep 89 p 2

[Text]

The working plenum began preparations by the voivodship party organizations for the 11th congress. Discussing the results of the survey, the participants noted that the first three questions did not arouse any doubts. The majority called for variant "a". There were differences in opinion only in relation to the fourth question.

The plenum decided to change the structure of the sections of the Voivodship Committee. The plenum also liquidated the Regional Centers for Party Work and the Centers for Ideological and Training Work under them. The members of the Voivodship Committee adopted a resolution permitting the party rehabilitation of the PZPR members at Copernicus University who participated in the formation of the horizontal party structures and restoring party membership to Prof Wieslaw Lang, one of the founders of that movement.

During the organizational portion of the meeting, a new political and organizational affairs secretary was elected. He is 34-year-old Jan Mrozowski, previously director of the Helitur Tourism Enterprise in Torun.

POLITYKA Weekly News Roundup

90EP0123A Warsaw *POLITYKA* in Polish
No 43, 28 Oct 89 p 2

[Excerpts]

National News

[Passage omitted] The spokesman for the PZPR Central Committee presented its position in a published declaration, "A New Social Contract is Essential": "The conception of a play of free-market forces in economics, of privatization of the national assets, of unemployment, of replacing a state social policy with charity by the rich, which is so important to the life of every Polish family, cannot be implemented without social approval, without agreement and a contract signed by the working people. With this in mind, the PZPR leadership accepted the proposal of the OPZZ trade union movement made on 5 October 1989 aimed at settling the critical issues between society and the authorities and achieving an agreement between various social groups." The point is to call a new roundtable between the government and representatives of the working people.

Minister Michal Janiszewski, head of the office of the president, and Wlodzimierz Lozinski, press spokesman, discussed the office of the president at a press conference. The office, in spite of rumors it employs 400 individuals, actually employs 226. In response to a question about whether the president as the representative of the entire nation should not be un-affiliated politically, the spokesman responded that, as is the case with judges, there are no legal provisions in Poland that place such a requirement on individuals performing these functions. He also does not think that membership in the PZPR hampers the president in performing his duties, which he has already shown, or that it poses any problem.

A delegation of the Congress of American Polonia led by its president Edward Moskal visited Poland. It announced aid for Poland and the formation in Poland of a branch of the Congress in either Warsaw or Gdansk. [passage omitted]

In August and September, the monthly rate for price increases was nearly twice as high as the annual rate for price increases in 1983-86. Recent price increases: beginning 19 October 1989, the price of electricity for industry will increase by 142 percent and beginning 1 November 1989 for municipal consumers by 150 percent (21.5 zloty per kwh instead of the 8.6 zloty per kwh now); beginning 19 October, prices for domestically produced drugs will increase; the price of domestically produced alcoholic beverages increased again (a half liter of select vodka, 45 percent alcohol content, will cost 17,400 zloty, previously, 13,900 zloty). [passage omitted]

The People's Council Working Group in the office of the president in August gathered data from 40 voivodships on councilmen's membership in Solidarity: of the 83,500 councilmen, 6,516 belong to Solidarity, including 302 voivodship-level councilmen.

Reuters reports Chinese in the A. Warski Shipyard in Szczecin. The shipyard, which employs 9,000 individuals, intends to bring 100 employees from China, especially welders, since the wages are low and the working conditions too hard to attract Polish workers. [passage omitted]

The earnings of the premier and ministers of the M.F. Rakowski and T. Mazowiecki governments are compared in EXPRESS POZNANSKI. During the first six months of 1989, the former premier received, including his function supplement, 405,000 zloty; the ministers from 322,000 to 331,000 zloty; deputy ministers, from 281,000 to 290,000 zloty. The exchange rate for the dollar at the time was 4,000 zloty; the premier then could purchase a little more than \$100, and the ministers a little more than \$80. Now the premier earns 882,000 zloty; ministers, 702,000 to 720,000 zloty; deputy ministers, 612,000 to 630,000 zloty. Given the current exchange rate of more than 8,000 zloty produces a similar set of relations. (EXPRESS adopted the earlier rate of 10,000, and it showed that the current government earned less.) The president earns 1.2 million zloty.

Food coupons for the poorest are to appear at the beginning of December: for now their names have appeared—in GAZETA WYBORCZA coupon-money, in TRYBUNA LUDU kuponki [named after Jacek Kuron, minister of labor and social policy].

Convertibility of the zloty has been announced for 1990 by Stefan Kawalec, deputy minister of finance. As GAZETA WYBORCZA reports "the government wants to obtain a stabilization loan of \$1 billion for the purpose." [passage omitted]

The participants in the PZPR horizontal structures in Torun (1980-81) have organized the Torun Social-Democratic Initiative. Its goal is to dissolve the PZPR at the 11th congress and form the Polish Social Democratic Party. [passage omitted]

Who's Who News. The president has signed two nominations for ambassadors: Janusz Roszkowski (age 61),

the former president of the Radio and Television Committee (1986-89), will represent Poland in Denmark, and Gen Wladyslaw Pozoga (age 66), deputy minister of internal affairs, will represent Poland in Bulgaria. Jacek Maziarski, columnist for the social weekly LAD (previously POLITYKA and KULTURA), has been named deputy editor in chief of TYGODNIK SOLIDARNOSC. (A fragment of his parting comments at LAD appears below in the opinion section.) Stefan Bratkowski, president of the Association of Polish Journalists is to edit GAZETA I NOWOCZESNOSC, a supplement to GAZETA WYBORCZA. The title refers to the science supplement to ZYCIE WARSZAWY—ZYCIE I NOWOCZESNOSC—which earned S. Bratkowski a "Yeast" award from POLITYKA for his editorial work. Bogdan Babicz (age 39), an educator and secretary of the Voivodship Committee, has been elected first secretary of the Ciechanow PZPR Voivodship Committee. His predecessor, Kazimierz Paryszek has retired. Leon Szelag (age 42), a doctor in economics, is the new first secretary of the Olsztyn PZPR Voivodship Committee. His predecessor, Tadeusz Jelski, resigned. The Main Council of the Union of Farmers and Agricultural Circles has removed Zdzislaw Zambrzycki from his position as president of the National Board, and Kazimierz Surma and Ryszard Gorycki from their positions as deputy presidents. The Presidium of the Council was empowered to prepare proposals for new ways to direct the union. [passage omitted]

On the Left

[Passage omitted] The national conference of the Hungarian (opposition) Democratic Forum called for Hungary to be given special status in the Warsaw Pact on the model of France in NATO. According to a survey, the Forum can win 30-40 percent of the votes, while the Hungarian Socialist Party (formed after the dissolution of the MSZMP) at most 10-20 percent.

The presidium of the parliament of Latvia published proposed improvements and changes in the USSR constitution. They call for a decisive decentralization of the structure of the Union by precisely defining the jurisdiction of the center and the union republics, and many rights reserved until now exclusively for the central level are to be delegated to the republic capitals.

The Czechoslovak minister of foreign affairs during the Prague Spring Jiri Hajek, who is today an activist in the human rights movement, thinks it is highly unlikely that a mass movement in support of democracy similar to the one making its presence felt in the GDR will develop in his country in the near future.

In the Hungarian parliament, a report on the MSZMP funds was presented. Beginning in 1968, the party received in all nearly 1 billion forints from the state budget (about \$53 million). Of these, 92 percent were

outright grants and 8 percent consisted of tax exemptions. The state subsidies made up 21 percent of the MSZMP budget; 75 percent came from membership dues. [passage omitted]

Viktor Afanasev, editor in chief of PRAVDA the journal of the CPSU Central Committee and an activist representing the conservative wing of the party, has been dismissed. Ivan Frolov, deputy chairman of the Academy of Sciences, is the new editor in chief. [passage omitted]

Miroslav Zavdil, chairman of the Czechoslovak Trade Unions, who is also a member of the CPCZ Politburo, criticized "the damaging articles" in the Soviet press. RUDE PRAVO made the report. Zavdil commented of some publications on Czechoslovak subjects that "they cannot be called either a dialogue nor a polemic." [passage omitted]

Nicolae Ceausescu criticized the poor supplies in Bucharest and other cities. After visiting stores and markets, he stated that there are "serious shortcomings" of goods, especially of hygienic materials. He criticized the lack of discipline and responsibility in the ministries and the trade offices. He stated that the retail inspection bodies are not doing their duty and should be "reorganized." He confirmed the wide shortage of vegetables and said the vegetables for sale were of low quality. Speaking of the supply of meat, he noted, that "some situations are unacceptable." He also criticized the quality of bread. [passage omitted]

Opinions

Jacek Maziarski, journalist:

(LAD No 43, 22 October 1989)

"As a result of some surprising political twists and turns at TYGODNIK SOLIDARNOSC, a situation has developed about which the Polish and foreign press are trumpeting. What has happened, I would delicately call a crisis threatening the basic identity of the journals of NSZZ Solidarity. The leadership of Solidarity, with which I was in contact at the time when it was strong and when we hid in basements, offered me a role in managing TYGODNIK SOLIDARNOSC. The offer would be attractive and an honor if it were not for the unfortunate situation in which it is necessary to oppose a boycott, blackmail (yes, yes!) and many other maneuvers organized in the name of some dark group interests. No one even wants to call these interests by name, for it would be necessary to say that the press arm of NSZZ Solidarity is breaking out from under the control of the union leadership. Thus, there is talk of a lack of tact, bad manners, and not about the merits. The issue is overgrown with emotions; new, completely unnecessary, conflicts arise—in a word, in these conditions, work at TYGODNIK SOLIDARNOSC is surely not a sinecure. But precisely because things have become difficult, I decided that I cannot refuse. I think it is a scandal that a demonstration of disloyalty to the decision in Gdansk (by Lech Walesa

and the Presidium of the National Executive Commission) was organized at the union paper, by refusing the union authorities the right to name the editor in chief of their own union weekly. In response to the nomination of Jaroslaw Kaczynski, secretary of the National Executive Commission, a part of the staff revolted and began a mud-slinging campaign. There is talk of indiscretions and a lack of tact, but why is there no mention of the real reason for the conflict—the open attempt to take the NSZZ Solidarity paper away from the union leadership?” [passage omitted]

The opinions and views cited in this section do not always agree with those of the editors.

YUGOSLAVIA

Protests Over Resignation Concludes LCY CC Plenum

90EB0091A Belgrade BORBA in Serbo-Croatian
23 Oct 89 p 5

[Unattributed report of the second day of the 28th Plenum of the League of Communists of Yugoslavia Central Committee, October 21: “Departure in the Shadow of a Conflict”]

[Text] When almost everyone thought that the 28th Plenum of the LCY [League of Communists of Yugoslavia] Central Committee [CC] would end the way it had been for all of 2 days—unusually calm, with no debates or rejoinders, the end of the meeting was marked by an absolute storm of debate and opposed positions and by the nervousness to which we have already become fairly accustomed in past months.

As is well-known, at the Extraordinary Plenum of the LCY Central Committee (concerning the Slovenian amendments), Vukasin Micunovic, member of the LCY Central Committee, submitted his resignation, which he later substantiated more broadly in a letter to the LCY Central Committee. On Saturday—in accordance with the bylaws—the CC was to evaluate that substantiation. However, what happened was that Micunovic’s resignation, as he himself was to say later, became only the pretext for reviving the political war that has prevailed over Yugoslav political space for quite a long time now.

Occasion for Reassessment

Borut Suklje was the first to speak in connection with the resignation. He first said that Vukasin Micunovic’s departure does not signify merely one more of the possible resolutions, but falls in the class of those insurmountable and unpredictable moments when instead of one truth, we encounter a great number of relative truths. Explaining why he would not speak about the moral and human attributes of “one of the deans of our movement,” since that would be to “underestimate him himself and his work, just as it would be underestimation to invite him and appeal to him to think over his departure once again—but I would like it very much if

there were no grounds for his taking that decision,” Suklje emphasized that Micunovic’s departure furnishes an occasion for self-reassessment not only of the project of socialism, which has brought Yugoslav society into a social, economic, and political crisis, but indeed of everything we confront today: the attempts at renewed political, cultural, economic, and spiritual administrativism, the atmosphere of ethnic espionage, underestimation, insinuation, calls for the emigration of entire nationalities, threats of cannon, snow, and wild beasts, criminal trials announced in advance....

It would be bad, Suklje continued, for the Central Committee to pass over the departure of Vukasin Micunovic with cold formality, just as we coolly passed over the departure of Zdravko Greb, a man who belongs to quite a different generation and who basically decided to leave on the same grounds. Another reason is that Vukasin Micunovic is among the most active members of this Central Committee and has always stood for respecting the democratic rights of dialogue, more effective work, and reforms.

Reactions were not aroused until Dusan Dragosavac spoke. Having said that it is not a good thing to settle these matters in haste, Dragosavac said that this Central Committee would go down in history for the internal accounts that were settled. During his term of office, interethnic relations in the SFRY had become dangerously disrupted. And it is well-known that the Communist Party of Yugoslavia affirmed itself as an interethnic Yugoslav force in its humane effort to reconcile the nationalities and in its humane synthesis, which was based on the equality of all the nationalities and ethnic minorities, its mission of brotherhood and unity.

“I am afraid that if we go on this way, we will cause the shipwreck of the LC to the detriment of our SFRY and all its nationalities and ethnic minorities. After all, relations without human feeling, neo-Stalinism, and clerofascism are making headway in our country. The logic being used here is that the end justifies the means. We have various intellectual and other lumpen-proletariats which are developing undemocratic relations and having an adverse effect on the situation among us. Individuals devoted to socialism are being destroyed, improper relations are being established between people of different nationalities or minorities. And that is a defeat of the League of Communists.

“The Central Committee,” Dragosavac said, “has been more concerned with removals and resignations of its members, some of whom have even ended up in prison, although what they said and did was in accordance with the bylaws and they could not have been disciplined in the League of Communists. I therefore propose that the Central Committee put that aside until the congress, that we put an end to a tradition which is contrary to our movement and idealism.”

Refuse the Role of Driver and Marksman

Micunovic's constructive criticism, Dragosavac continued, has always been directed toward his own movement, toward democracy, humanism, toward that well-known humanity, so that he was always defending both himself and his movement from various deformations. He was a man who displayed exemplary openness to dialogue, he has never gone after individuals and is not doing so now, he has always fought for a change of the situation, for correction of the situation. In situations when some people in our country think that it is enough to emphasize that they are ethnically oriented and obedient to the leaders of their nationality and to their national states, Micunovic has steadily fought and is fighting against that mentality and psychology of Krleza's Balkan alehouse in both the movement and in society.

"I was unpleasantly surprised when he and Comrade Andjelko Kovacevic were identified, 'discovered on the trail of wild beasts in the snow,' and I think that this Central Committee cannot pass over this lightly, nor assume the role of driver or marksman, since that would be a defeat of its spirit, its intellect, its policy, its culture, and its humanism. That would be a dangerous anachronism that belongs to the mentality of the campaign of the cleronationalistic idea. The Central Committee must condemn such things and protect people both within its ranks and other people. That is why I think that we must not allow the problems both in the League of Communists and in the country to be resolved through pressures of some on others and through responsibility for what is said in meetings, through pressures of certain nationalities on others. Should it be done that way, that will be a defeat for everyone."

Dragosavac concluded by proposing—if Micunovic stands by his resignation, let the Central Committee vote on it in a secret ballot.

Emphasizing at the outset that he did not intend to comment on Vukasin Micunovic's resignation, since "it is, of course, a personal act both for Comrade Vukasin Micunovic as it has been for all those who have decided on such an act before him and who sat in this Central Committee," and expressing belief that in this connection the Central Committee would behave according to the technology of the LCY Bylaws, Milo Djukanovic said that he had asked to speak because he was "stirred by the statement of Comrade Suklje and especially the statement of Comrade Dragosavac."

"I must say that during these 3.5 years of my term in the Central Committee I have listened with a good deal of patience to all those descriptions of the present situation and accusations which Comrade Dragosavac has made in that connection against this Central Committee and its Presidium and indeed this entire present political team in Yugoslavia. He has in fact uttered one of them even today, when he said that the Central Committee bears the greatest responsibility for the situation in

interethnic relations in Yugoslavia, reducing all this to the context of a dirty fight in Yugoslavia, of which the upshot, in his interpretation, is certainly the resignation of Comrade Vukasin Micunovic. I must say that this is in profound conflict with what we talked about one or two plenums ago, when we discussed ethnic relations and when we said, if I am not mistaken, that interethnic relations cannot be examined in isolation in Yugoslavia and that they are actually a derived problem and the result of those socioeconomic and political contradictions that exist in Yugoslavia."

The Dirty Media Fight

"And so now I wonder whether this Central Committee and I in it, or I and my generation, whether we can be responsible for this socioeconomic and political situation in Yugoslavia from which interethnic relations of this kind have resulted. Or is it the responsibility of Comrade Dusan Dragosavac and his generation and the group of his collaborators who have held the most distinguished offices in this state and in this League of Communists. And truly, for all my tolerance, all my patience and understanding, and for all my readiness to accept a part of the responsibility for these 3.5 years that this Central Committee has contributed to a deepening of the overall crisis in Yugoslavia, I no longer want to accept such a one-sided interpretation. I think that by this time we should have seen a minimum of self-criticism from him.

"Second, when it comes to this commentary on and allusion to the rally in Titograd which was organized concerning adoption of the amendments to the Constitution of SR Slovenia. I must say that the references to those sources of Telex and its journalists with concealed tape recorders is not only an expression of a dirty media fight that has developed in Yugoslavia, not only is it an expression of a quasi-democracy as some conceive it, it is not an expression only of the absence of a law-governed state, but, in my opinion, it is an expression of what I would call insufficient political responsibility on the part of members of the Central Committee, who are ready to make reference to such sources and such arguments for the purpose of condemning members of this Central Committee and its Presidium. I truly do not consent to those descriptions. I think that they display a lack of elementary political seriousness. I would also say that even a minimum of political propriety would require that the person whom we wish to accuse, if only through allusions, ought to be present when we do so," Milo Djukanovic said.

Nijaz Durakovic reacted at once to this speech:

"An activist, a thinker, and a persistent fighter of our movement is departing, or, put better, is no longer a member of the LCY Central Committee in these difficult times. This is truly a great loss, but no greater than the guilty conscience we all have. I personally feel a bit ashamed, but I am also awed by the strength of Micunovic's beliefs, by the breadth of his views, by the

firmness of his personality, by his honesty, and by everything which makes him, put most simply, a great man. There is no need to thank him, but at least he should not leave with the feeling that he is alone. He has never been alone, nor, I am profoundly convinced, will he ever be. Nor did he dream of his ideas in vain. They are certainly more powerfully implanted than it seems from the angle of our difficult and divided situation. After all, Micunovic was not the cause, nor could he be. He does, nevertheless, basically represent an era, and he represents a shining moment, but unfortunately he also represents the decline of our movement.

"It is pitiful that our young hero Djukanovic should use even this for his pragmatic purposes. Pitiful, sad, and disagreeable. Especially this reproach concerning responsibility. I issue a plea for the dignity of this Central Committee, at least on this occasion," Nijaz Durakovic said.

At one time, we decided and voted on resignations, and individuals also withdrew resignations. Later, we decided that we could not vote and decide, that this was a personal matter, and so we accepted them in silence, and then we entered a phase of evaluating the grounds of resignations, Ivan Brigic said. When a resignation has been submitted by someone who is undoubtedly one of the most prestigious, if not the most prestigious member of this Central Committee, we did not say one single word about it. Even the Presidium of the Central Committee did not take a position on it. I think it is high time that we agreed about how resignations are to be deliberated and submitted.

An Honorable Man Is Leaving

"In the end, it is unpleasant for me to have to speak in the name of the Presidium, since it seems that no one has said this. We in the Presidium concluded that our chairman and secretary would talk with Comrade Vukasin Micunovic and inform us about his justification and reasons and that we would agree on this and propose our position to the Central Committee, since a resignation is a personal act. I therefore propose that we do not debate this resignation and do not make a decision tonight. Let it be left for the next meeting of the Central Committee, let the Presidium take its position, announce it, and it is the right of Vukasin Micunovic to do whatever he does.

"As for me personally, it does not even occur to me that I might take upon myself the right of suggesting to Vukasin Micunovic what he should do. After all, during all these last 3 years, and I have collaborated with him on several projects, I have only been able to learn from Vukasin Micunovic. I have not had anything to say to him," Brigic said.

Among those things which I wanted and which I am happy to have learned in these 3.5 years is something that I learned from Comrade Vukasin Micunovic. I learned something from him about wisdom, about courage, about integrity, and perhaps about something

which is most valuable today—about honor. And I am grateful to Comrade Micunovic for what I learned from him, Ivo Druzic said.

Mladen Zuvella conveyed the demand of party members of Trogir, Imotski, Korcula, and many other places in Dalmatia that Micunovic's resignation not be accepted:

"They feel that Comrade Micunovic, by his political position, moral values, and consistency, expresses in the best way those values which have been the glory of the communist movement. I assure you that even Comrade Micunovic enhances the prestige of the League of Communists and of this Central Committee. See that we do not lose again today, since these losses are irreparable," Zuvella said.

Repeating that he had not and would not take a position concerning Micunovic's resignation, and that he would not—as Mladen Zuvella had done—pass on the demands and sentiments of members of the LC in his constituency, Milo Djukanovic said in his second statement:

"I only want to say something in connection with the speech of Nijaz Durakovic. If it is a pity what I said and if I have used this for my political aims, then, Comrade Durakovic, it shows an elementary lack of political upbringing and culture to utter such an assessment and not to back it up with any argument and not to say what those political aims are. The least I would expect is that arguments would be made to support that charge, so that then you and I can talk on an equal basis. This way, I have nothing to debate against."

Who Is Putting on a Show?

We in the Montenegrin LC Central Committee, Drago Sofranac said, have examined these issues. And wherever we judge that there was a need, basis, and elements for taking initiative concerning the accountability of members of the LCY Central Committee from the Montenegrin LC, we have done this in the legal and regular way. This had to do with Comrades Andjelko Kovacevic and Slobodan Filipovic. We did not do this in the case of Comrade Vukasin Micunovic. So why this cannonade? What is happening here? Who is questioning the attributes and merits of Comrade Vukasin Micunovic? Have we done so? No, we have not. He himself decided on this act, he himself submitted his resignation. Now we are making some kind of a show of it.

"It is clear to me that in this Central Committee there are those who are more worthy and those who are less worthy and capable, those who are taught and those who are untaught. Comrade Micunovic probably is among the highly educated. But I am quite definite and clear that all of us members of the LCY in this Central Committee and in the LCY as a whole are equal under the Bylaws of the LCY. I do not accept any other treatment. I do not think that this would be worthy of this Central Committee or would be suitable to our future work. Comrade Micunovic has submitted his resignation. It should be treated the same way as any

other submitted to this Central Committee, in no way differently. That is our obligation as Communists and under the bylaws. And if someone has personal regrets at the departure of Drago, Vukasin, Marko, and Janko, allow me to say that those are after all another matter. We have to behave as the rules of the game in the LC call for."

Addressing Nijaz Durakovic, Drago Sofranac said that "it was not to be expected of you, of a man in your position, to use such words. You have neither grounds nor occasion for that."

You will agree, said Bozidar Debeljak, that it is a shame to speak from such a formalistic standpoint concerning the resignation of a man like Comrade Vukasin Micunovic. Comrade Micunovic is certainly one of the integrative figures of the movement and of the Central Committee. And that is why he deserves a different type of discussion than the one which we have had occasion to listen to to our shame. Please let us be civil in this situation.

"It is an unpleasant experience for me to speak in a situation like that, and I will not speak about Comrade Micunovic. It is his right to submit his resignation and to remain in the body as long as he wishes. But really, I cannot tolerate the fact that Comrade Nijaz Durakovic, university professor and chairman of the presidium of the central committee of a republic, has in such a base manner divided the members of the Central Committee into young heroes and those who are not. If the secretary of the presidium of the central committee of a republic is to be called a young hero, then who are the rest of the members?" said Sinisa Batalo, adding:

"Haven't we in this way degraded and devalued the work of this Central Committee once again. What are they going to say to us in the basic organizations, what are the comrades in the party going to call each other when people of such high rank are allowing themselves such divisions and labels which they apply to young Communists? There is no need for me to defend Comrade Djukanovic, he is quite capable of doing that himself, but it is really unacceptable to use such names, and that deserves full condemnation."

Nijaz Durakovic's Qualification

Nijaz Durakovic immediately responded:

"I, of course, used the word 'young hero' in a pejorative sense, and I would not insult our honorable youth. That would never occur to me. It bothered me that in connection with an honorable man, a prestigious member of the Central Committee, issues should be raised which fundamentally, as the discussion shows, are base. I think that neither Micunovic nor the Central Committee itself deserved that.

"I apologize if anyone is bothered by that word in a literal interpretation. Certain other comrades began this type of discussion. As far as I am concerned, this

discussion is beneath my dignity, and I do not wish to take part in it," Durakovic added.

Supporting the positions of Ivan Brigic, Lambe Jovanovski said that we ought to know the reasons why such an honorable Communist intended to leave the Central Committee. Let us have the Presidium tell us on Friday why Micunovic is leaving.

Petar Skundric said first that no one had questioned the moral or political integrity of Comrade Micunovic. And I do not know why individuals want to start an argument between this Central Committee and Comrade Micunovic. It is his moral and political right to submit his resignation, and he has done so. It is up to us to take note of it, in accordance with the bylaws. The suggestion has been made to Comrade Micunovic that he withdraw that resignation. He can do so if he wishes even now, but that is his affair. And I would like it if we really did not spoil what we have achieved in these 2 days with arbitrary assessments. We have done serious work, we have debated serious documents, we have agreed to speed up the exit from the crisis, from the major blockades we have been encountering. I was convinced that over a single issue like that we would not open up once again unscrupulous discussions which are not supported by argument and jeopardize the integrity of other comrades who objectively have nothing at all to do with the resignation that has been offered. I think there is no point in questioning the integrity of a member of the Central Committee who for 3.5 years has worked as much and as well as he knew and could, as Comrade Milo Djukanovic has done, who obtained support in a plebiscite conducted in the Montenegrin LC for the position which he holds there.

We in the Presidium have had the letter of Comrade Vukasin Micunovic. We have read it and concluded that the secretary and chairman, if they wish and judge that there should be a talk, should do so. This should not be sent back to the Presidium, and let us not associate Micunovic's right to submit his resignation with other matters and on that basis create further divisions in the Central Committee. I move that if Comrade Micunovic does not wish to withdraw his resignation, let note be taken of that and let us not divide ourselves further, Skundric said.

People Like Micunovic Do Not Withdraw Resignations

Sreten Djuric also reacted, asking Vukasin Micunovic why he did not come forth to substantiate his resignation and why he allowed Suklje to do that?

"I thought I heard the words despotism, tanks, cannon, arrests that have been announced. Are those Micunovic's reasons? If they are not yours, why did you not protest at that justification? Why is it that we are always looking for some occasion to squabble? Last time it was Sardelic spitting on the Serbian Central Committee and the people of Serbia. At that point, we broke off, why don't

we do that again now? After all, haven't we had enough disunity? Do we suppose that the people is going to forgive us for this?

"I would be ashamed to submit my resignation now, I just began to work in this Central Committee. But I am ashamed to hear this, I am ashamed that they should think that we are to blame for all the divisions in the country. I think it is high time that we get beyond those divisions and truly do not create any deeper gap between peoples who are not at odds. I do not know whether it is a question of careerism, a desire for power, new elections, or something else, but probably there is some reason why we are using this occasion for all of Yugoslavia to hear that we do not agree with one another," Djuric emphasized.

Stefan Korosec, who was presiding, explained that he had talked to Micunovic not as a formality, but because he felt that Micunovic could help this Central Committee with his experience, his intellect, his moral strength, and his scrupulousness. But even then I was convinced that people like Vukasin do not withdraw resignations.

Then Vukasin Micunovic asked for the floor, and he was followed by Stanko Stojcevic, who said that he had proposed two things in the meeting of the Presidium: first, that we make a concerted effort so that members of the Central Committee do not submit resignations unless they have particular reasons, and second, that in future we not accept a single resignation in the Central Committee and not act strictly in accordance with the LCY Bylaws. And this means that the Central Committee must evaluate the grounds of a resignation. Up to now we have not done that as the Central Committee.

Stefan Korosec said on that occasion that Micunovic had sent a letter. In the last meeting, he had attempted to give a brief justification of his resignation, today he had elaborated. We have heard the discussion, and we must make a decision somehow. Every resignation is an expression of free will.

Since no one else asked for the floor, Korosec addressed Micunovic directly:

"Vukasin, I am also very sorry, but in keeping with Article 44 of the Bylaws, I must take note that your membership in the LCY Central Committee is terminated. On behalf of members of the LCY Central Committee and the working Presidium, I thank you not only as one of the oldest members of the Central Committee, but also as a member who with his experience and work has often helped us in solving problems. I wish you good health and personal good fortune," Korosec concluded.

With that, the meeting of the LCY Central Committee concluded on Saturday evening.

Brain Drain Reaches 'Catastrophic' Level

90EB0090A Zagreb DANAS in Serbo-Croatian
17 Oct 89 pp 18-19

[Article by Silva Meznaric: "Yugoslavia's Brain Drain"]

[Text] Judging by the figures on the firmness and permanence of departures and on the profile of the people leaving, Yugoslavia is in a disaster area: According to the estimates we have, it entered the threshold of "loss" in the sixties, when the "cream of the scientific community" left (sources: Rudjer Boskovic Institute, Institute for Migration, surveys done by Dr Katarina Prpic of the Institute for Social Science Research of Zagreb University), i.e., that cream which today, some 100 people, is performing the functions of bringing along and teaching the younger generation and heading laboratories and institutes in America and Europe. The harmfulness of that departure was not so obvious, since the expectations placed on science dropped off considerably after that and during it, so that the ever lower quality of the work was not detected so quickly. But the present situation is made disastrous not only by the departure of the "top level," but above all by the departure of the "lower level," research and technical technicians with secondary training, good present and future practitioners, engineers, physicists, mathematicians, and specialists in information science. This is the stratum which is supposed to provide supporting services for good and top-flight laboratory and other research and production, the stratum from which, and for me as a sociologist this makes it almost the most important, the civilization and culture of research work, work habits, technological literacy, habits, efficiency, independence and critical attitudes in thinking, and skepticism of all-embracing ideologies and myths are reproduced. The stratum, that is, from which the main productive force of modern society is created—an intelligentsia compatible with intellectuals. That stratum's orientation to leave the country permanently as a professional career decision and solution constitutes an authentic disaster for the research and technical base of the national economy, since its "technological sophistication" is being taken away. And this is where the dominance of numbers ceases: It ceases to be important whether 200 (the official figures) engineers go off to the United States every year or 20, since the departure of just two key men from some project being developed or from a laboratory, can mean an irreparable loss for several generations of students, researchers, or employees.

But this article was not written because of brains which are already established; it is concerned with those who are just coming onto the manpower market, with those who are now studying electrical engineering, for example. Its purpose is to show on the basis of limited empirical work that a) the problem of the brain drain from Yugoslavia is not by any means poorly defined, as one might suspect from the articles published to date; b) the potential does exist in Yugoslavia to quickly and effectively place this program in the right framework.

that is, to describe it, to frame a diagnosis, and to prescribe therapy; c) the zealous search for numbers disguises a far more crucial configuration of the problem, and d) the will does not exist to approach the problem of the brain drain the way it deserves.

Last April, at the initiative of Janja Bec, MA, technical adviser of the Federal Committee for Development, and with the help of students from the School of Electrical Engineering in Belgrade, we surveyed 365 students of electrical engineering, information science, and computer science at all Yugoslav universities (except Pristina, which at that time was underrepresented). Since this was a population specifically chosen to compete in the Electriad and also on the basis of data obtained concerning average grades in certain key subjects, we can say that we surveyed the "elite" of Yugoslavia's young technical intelligentsia between the ages of 20 and 25.

In answer to the question: Have you made plans or thought about going to work or study abroad after you graduate? the answers were as follows: 16 percent no; 56 percent yes, but I still have no definite plans; 26 percent yes, I have definite plans to leave; and 2 percent did not answer.

So, 26 percent of the students look forward to an almost certain departure, and sooner or later they will be joined by at least one-third of those who "still do not have their definite plans."... It can be said with near certainty that more than a third of the specialists graduating will be part of the outflow. Yet 20 percent is the limit beyond which, according to the figures and analyses of UNCTAD (1988), the alarm should be sounded, since it causes "serious disruptions on the manpower market." The fact that the population surveyed possesses many characteristics of what specialists in migration would call "propensity," a readiness "to leave....," proves that it is not just a question of an "if wishes had wings..." effect, but of serious plans for departure. They have decided not to remain where they are now: that is, in answer to the questions of where they would like to go and where they think they will actually be living when they are 30, only a third say the same place as now, another third have no idea where they will be living, and about 18 percent want to be living and think that they actually will be living outside Yugoslavia.

It is interesting to compare the figures on a population that was after all specially chosen with the figures (even though from a pilot study) which were gathered with the same questions by the Center for Youth Research in Belgrade last July: the figures for "young people in general" differ little from these "elite" young people. We can confidently conclude, then, even if we assume that in their desire to get away as soon as possible the students have inflated a bit the datum that they already "have complete arrangements for leaving," that at least 20 percent of the best will leave in each generation. Those, that is, who possess the largest number of characteristics on which the necessary supporting stratum of large projects, innovations, and private initiatives are created.

Who will leave? What kind of person? The answer is found in a "modal person," who represents the "average" of the most important data. The profile of one such young emigrant is as follows: he is a male who was born and grew up in the capital of a republic or province or at the very heart of a large city, and is a full-time student with an average grade of 8.6, or 3.7 in secondary school, mostly majoring in mathematics and electrical engineering, outstanding student (also in the humanities and native language), participant in competitions in mathematics and physics and in information science, highly motivated to pursue his education, and without a scholarship. He lives with his parents, who support him, in a house or apartment that is socially owned; both parents work (78 percent of the mothers are employed!), the father is a manager, specialist, or administrator, and the family is usually well-off (they have a car and so on).

Since the age of the "first encounter" with present-day technology is considered decisive in international studies of the brain drain, we asked at what age they first encountered, say, the PC? The answer was between the ages of 13 and 16, where the respondent also learned at least one programming language. He intends to go abroad, although he still does not have specific arrangements; asked what would (nevertheless) keep him in Yugoslavia, he answers: personal standard of living and professional standards. And what is driving him away? The same thing—personal and professional reasons. What in spite of everything would keep him here? Only certain unforeseeable family reasons. The channels through which he would leave or plans to leave are mostly through relatives and friends; he plans to go to an anglophone region, since he speaks English. Asked whether he has any idea about the technical standard of his university school, for example, of the equipment compared to similar institutions within the country and abroad, his answer is negative; he has not had occasion to compare his own school with any other.

And the scant information about the family shows the kind of protective environment in which our young specialist is "produced," this is a very busy, urban, and educated family in which during socialization our young specialist gets most of the information he needs for openness toward other environments: education for everyday life, a foreign language, communication skills and knowledge, work habits.... This is a family of "white-collar workers," the parents are not only educated, but most of them spent both their childhood and early youth in urbanized environments (a third in rural areas). Everything leads us to the conclusion that our young specialist also obtains the necessary information about external labor markets and foreign studies through family, relatives, and friends, as the figures in fact indicate. In other words, he possesses one of the most privileged "parameters" in deciding on going abroad, he has an "overview" of the manpower market in his field. Judging by this information, the channels through which people leave, and the plans and information about "who is recruiting" young specialists from Yugoslavia, these

young people behave the way manpower does behave when it has information and knows exactly "what it does not want"; it enters the "drainage pipe" of the international manpower market, but it does not do so heedlessly. It senses that pipe much more quickly and effectively than intergovernmental regulation—it anticipates the government by several years.

Something similar occurred even earlier, although mostly with unskilled manpower (1965 and 1974), but with one large difference; that is, the most frequent brain drain of Yugoslavia even before the banking and trade agreements, has quietly led to international regulation of the manpower market. By contrast with the seventies, when in the face of that market the government could simply put its head in the sand, giving up "workers for temporary employment" and their families to the immigrant systems, here a panic reaction began even though the government did not even know what was essentially happening. This is indicated by the proposal of the Federal Secretariat for Foreign Affairs (carried by DANAS in No 399) that the experiences of the East European countries be taken into account in regulating the outflow "at least as an argument...." That is the totalitarian experience. This is what undertaking international regulation of the (educated) manpower market means: filling needs abroad means holes at home. That is, their demand (the United States and Canada) will dictate our demand. Let us look at their demand. Last year, the United States set an input target (established exemptions from immigration regulations) for 500,000 young (under age 35) people in the fields of electronics, computer skills, physics, mathematics, and so on, primarily from the areas of western Europe and the African countries. The figures show that western Europe is also stepping up its employment in these fields, and in part it will redirect the growth of its demand toward eastern and Mediterranean Europe. What is more, the opening up of Poland, Hungary, and East Germany will probably supply that market with fresh manpower.

The distribution of the vacant and foreseeable new jobs in the immigrant system is at the moment more than stimulative for the outflow of our young brains. Studies of the "job revolution" in, say, the United States refer to this distribution in coming decades: jobs will be divided into smart jobs and dumb jobs. The smart jobs, as the name itself implies, are based on the processing of knowledge, not only information.... The processing of knowledge is in turn based on comprehension, not just on fact. Which means that such jobs require the "culture of that environment," growing up in it and mastering facts and the language. The immigrants have little chance of this, but their chances increase with those jobs that are not contextually determined and which are based on manipulation and processing of information. These are support service jobs of managers and engineers requiring higher education and specialization, but not doctorates and masters degrees. It is interesting to mention that these jobs are further classified according to their dependence on the progress of technology: jobs

based on analysis of knowledge for the needs of decision-making and management and jobs whose task is to pass knowledge on to practice are not subject to changes in technology over the short run. The same applies to the third group of jobs of the future, those in the social sciences and humanities. The jobs involving supporting services and information processing, on the contrary, precisely those which are most open to immigrants, are bound up with changes in technology and "stresses" on the manpower market. Just over the last 30 years or so in Europe, here again the law of present-day manpower markets is confirmed: when sudden restructurings occur, that field of new employment which is still expanding at the moment is filled with migrants, but this is followed by restriction. There are many reasons it is easier to avoid sudden social and political shocks on the market with a volume of immigrants. Is that the future of our brains?

The outcome of the choice between certain prosperity (although perhaps short-term) in abundance and certain stagnation in an environment that is unfriendly to professional competence is rather clear in advance: in spite of the social price which inevitably has to be paid for that. What is society going to do?

First, let us say which measures are out of the question: coercive restriction of departures and demands for compensation. There are many "elaborate" international arguments on this point, and this is not the place to spell them out. Let us say only that the free flow of people and ideas is a part of European policy principles and there is no turning back. Every individual, especially an educated individual, has the right to seek a job in which he or she will satisfactorily realize his or her potential. Financial compensation for manpower, since above all it is indeterminant in accounting terms, was removed from the agenda, at least at last year's meeting of UNCTAD experts in Geneva. There remain, then, measures which in the planning and execution must be at least the same level of what is being regulated—the brains.

There remains the question of what action to take and who is to take it? At this point, a circumstance arises which works against anything good happening very soon: That is, according to the findings of international bodies concerned with the problems of the brain drain, Yugoslavia is one of those countries which up to now has not shown that it has the basic knowledge (in the administration above all) about what a policymaking action is and how it is carried out. We researchers have had ample occasion to feel this on our own skins. During this past year, we have been called upon several times to furnish "data" or compile "project studies," "monitoring proposals," and similar euphemistic glosses for the brain drain. The commissions came in turn in some irrelevant order from the Bureau for International Technical and Scientific Cooperation, the republic Committee for Science and Technology, the Federal Committee for Science and Technology in the old government, the Federal Committee for Development in the new government, and so on. After many hours were spent, after we made

our investment in field research, and so on, the result was, so we were informed, that the proposal of a Yugoslav project for a brain drain policy was dropped with a whisper in one of the collegiums of the Federal Committee for Development. No reasons given.

P.S. I can hardly wait for parliamentary democracy; then in some imaginary electoral unit where I live, just as we see it on CNN news, for example, I would boldly demand from my deputy in the Chamber of Citizens of the SFRY

Assembly an explanation of how he could have allowed himself, first, to permit a proposal which he had in his campaign program and which was the reason I voted for him (for instance: "I propose such-and-such strategies and I will fight for them...for drastic improvement of the standard of living and working conditions of young specialists in the following fields...) to remain in the hands of the collegium of a federal minister whom I cannot see, and second, to be dropped with a whisper, without public justification.

GERMAN DEMOCRATIC REPUBLIC

Personnel Shortages, Supply Problems Due to Exodus

90EG0041A Hamburg DIE ZEIT in German
3 Nov 89 pp 25, 27

[Article by Joachim Nawrocki: "Nothing Goes as Planned—The Glaring Shortage of Workers Causing More and More Problems for the GDR Economy"]

[Text] A subject which for a long time was taboo in the GDR is today being openly addressed. In public discussions, residents are bitterly deploring the consequences of the "mass flight" to the FRG. Extreme examples are cited: Busdrivers are forced to work up to 100 hours of overtime per month, 12-hour shifts are being worked at construction sites to insure fulfillment of the plan, the service in restaurants and hotels is collapsing, and in the health care sector the situation is becoming ever more complicated. In a debate in the Congress Hall in East Berlin, Dr Werner Kinkel of the clinic in Buch recently called attention to the migration of medical doctors and the personnel shortage resulting therefrom. For this reason, he demanded that medical doctors serving as reservists with the National People's Army be released and that call-up notices already sent out be annulled.

Other medical doctors have already demanded that soldiers be used in the nursing services, which are suffering a severe shortage of personnel. And so, Minister for Health Klaus Thielmann admitted during a discussion on television that, as a result of the departure of doctors, "gaps" had been created in the public health sector which, despite the greatest of sacrifices, could hardly be closed by the personnel remaining. The precarious situation at several hospitals also became evident in the emergency service in East Berlin. The situation is similarly desolate in many other sectors. City sanitation services are falling behind in their work. Thirty barbers are gone from the barbers' association in Potsdam; the customers are forced to wait still longer than before. Wholesalers can no longer make their deliveries to the stores on time, so that the gaps in the merchandise being offered are becoming still larger.

For this reason, the GDR Government is beginning to show serious concern. The poor supply system is surely not the main reason that tens of thousands of people have left, but it is nevertheless an important reason for the dissatisfaction of those remaining behind. And thus, Prime Minister Willi Stoph, one of the most culpable supporters of the old regime, declared on GDR television that one could no longer measure the performance of plants "in abstract growth rates utilizing indices or statistical mean values of some sort. We are expending a great effort for increased production and an improved supply with spare parts, technical consumer goods, as well as textiles. Worth mentioning here as well are the measures being taken to improve the transport of supplies."

With two sentences, the man who—except for a break of 3 years—has headed the GDR Government for 25 years discredits the politics which he formulated and for which he shared the responsibility for so long. Until a few days ago, the fulfillment of the plan indices was the most important criterion of economic performance, and men like Willi Stoph and the former economic expert of the SED [Socialist Unity Party of Germany], Guenter Mittag, did not permit the slightest changes to be made thereto, even if the consequences thereof were ever so nonsensical.

About-faces of this type are currently being experienced by the astonished citizens of the GDR on all levels of the hierarchy of functionaries. In a discussion event that took place last Sunday in front of the "red city hall" in East Berlin, author Hermann Kant, one of the most prominent advantage-seekers in the GDR, declared that he was of the opinion that there are people everywhere "who are striving to exploit reform to their own advantage." And, in an interview, his colleague Christoph Hein mocked: "Opportunism is a great productive force." If this were indeed the case, the GDR leaders would not have to worry about productivity at this time.

And yet, the improved supply system promised by Willi Stoph will have to wait a while to put in its appearance. For overcoming the economic problems of the GDR is assuredly the most difficult task that needs to be solved. Freedom to travel and amnesties can be proclaimed with a simple law. Even freedom of the press and democratic manners can, as is evident, be learned in an amazingly short time. But the elimination of the economic disproportions and the modernization of the antiquated technology and the tired infrastructure will take at least a decade even if the state planning bureaucracy were to be decisively discarded tomorrow.

Among the disproportions of the GDR economy is the entire labor market. For example, approximately 40 percent of all workers in the GDR are employed in industry and trades, 7 percent in the building trade, and more than 10 percent in agriculture. In the FRG, the comparable figures are just under 32 percent in the processing trade, likewise 7 percent in the building trade, and less than 5 percent in agriculture. Proportionately more people are employed in commerce, services, and transport in the Federal Republic than in the GDR, but the opposite is the case in civil service.

These disproportions are now being aggravated still more by escapes and resettlements to the West. Just this year alone, far more than 150,000 people will presumably leave the GDR; as of the end of September, the total had already reached approximately 135,000. A total of more than 250,000 people will then have turned their backs on the GDR since the beginning of 1984, more than the population of Rostock, the sixth-largest city in the GDR. Two-thirds of the resettlers are gainfully employed, so that in a period of 6 years the GDR has lost approximately 2 percent of its labor force, more than half of them this year alone.

At first glance, this may not sound very dramatic, especially since the GDR seems to have adequate labor force reserves in the police and Army, in the state security system, and in the administration. "Put the state security to work in industry, and Schnitzler in the Muppet Show," demonstrators in East Berlin and Leipzig demanded accordingly. Chief agitator Karl-Eduard von Schnitzler has meanwhile been relieved, but before Minister for State Security Erich Mielke sends his people to the factories—to the extent that they are not already there as confidential collaborators—the "changed outlook" of new General Secretary Egon Krenz will no doubt have to become quite a bit more radical.

What makes the mass exodus problematical, however, is the fact that the great majority of those leaving the GDR are young and well-trained persons, and that certain professional groups have been particularly hard hit: skilled workers, craftsmen, construction workers, drivers, hotel and restaurant employees, nursing and social services professions, and, last but not least, medical doctors, who, since their prospects for getting permission to emigrate legally would have been nil, have taken advantage of the new avenues to the West. Their dissatisfaction is especially great: They are poorly paid, work under especially adverse circumstances, and must treat more patients than they can handle with insufficient resources.

According to a random poll by Infratest of 537 adults, 56 percent of the persons who have resettled this year are between 18 and 30 years old, and only 17 percent are older than 40 years. Of those polled, 8 percent are university graduates, 16 percent meet matriculation requirements for the university, and 68 percent have completed 10 years of schooling; 86 percent have completed their apprenticeship. No less than 44 percent of the resettlers are skilled workers or craftsmen, only 7 percent are semiskilled or unskilled workers, and 3 percent are master craftsmen. Salaried employees in lower and mid-level positions comprise 20 percent of the resettlers, while 9 percent are in senior positions. Only 2 percent were members of production cooperatives, and 3 percent, at any rate, were self-employed and 2 percent were medical doctors. A third of those polled worked in industry, 18 percent in trades and crafts, a quarter in the services sector, but only 7 percent in administrative positions and 4 percent in the educational system. Most of those polled earned well by GDR standards, with 61 percent having an automobile and 15 percent a weekend house.

Now without a doubt the training received by many, especially in the technical professions, will not satisfy Western requirements; working with modern machines and computers has yet to be learned. But in the GDR the workers are missing in the capacities in which they are needed there, and in most cases they are the active and flexible ones, those who like to assume responsibility, and who do not like to sit around doing nothing because

needed parts have not come in. Approximately 70 percent of those polled gave unfavorable prospects for the future and the desire to be able to live as one wants as the reason for their resettlement. For the GDR, they anticipated an increased shortage of skilled workers, craftsmen, and services as a result of the resettlement wave, as well as supply problems in the health care sector and with consumer goods.

This assessment has turned out to be correct. More and more frequently, the exodus has caused stores, restaurants, and crafts shops to be open for business only at certain hours or to close entirely. In East Berlin alone, there is a shortage of several hundred waiters. More than 10 percent of the employees of the luxurious Grand Hotel, which was opened 2 years ago, have left; the same thing is true for the Palast Hotel. It has been above all the highly qualified workers, who can find a good position any time in the West, who stayed away from their jobs by the dozen as soon as the Hungarian border was opened. But taxi drivers, too, are almost nonexistent in East Berlin, there is a shortage of more than 300 streetcar operators and bus drivers in Leipzig and of 150 in Erfurt, and of 84 streetcar operators and 67 bus drivers in Magdeburg. The winter bus and streetcar schedules in Jena cannot be adhered to; since September an emergency schedule has been in effect. Here too the detailing of soldiers is being demanded. In the GDR Reichsbahn railroad system, there is a shortage of supervisors and locomotive engineers. "No personnel, no personnel," the railroad workers' newspaper FREIE FAHRT complained.

While there are many plans to remedy the labor shortage situation, the question remains as to their practicality and feasibility. For the time being, one is getting by through the employment of approximately 300,000 retirees and 100,000 foreigners, including 53,000 Vietnamese. But now the director of the Combine of State Enterprises for Fruit, Vegetables, and Potatoes in Dresden, Guenter Taeubrich, has demanded that a "radical release" of workers from the party and state apparatus and other administrations should begin as quickly as possible, who could be employed in commerce, the services sector, at the local level, and in the health care sector. This would be tantamount to opening up an abscess, since the overly bureaucratized administration apparatus frustrates the capacity of the economy and society more than it promotes it. As a matter of fact, there are approximately 15,000 more people working in the ministries of the GDR than are provided for in the manning document.

The East Berlin BERLINER ZEITUNG expressed the opinion that the labor shortage caused by the exodus and the declining birthrate could only be checked by a drastic rationalization and a more flexible utilization of the work force. The prevention of down times resulting from a lack of materials and spare parts alone could make possible an increase in production of 5 to 20 percent. In the building trade, down times and absenteeism are

responsible for an annual loss of M 2 billion, equating to the output of approximately 15,000 construction workers.

But a sweeping modernization of the GDR economy, which is necessary for many other reasons as well, would cost hundreds of billions of GDR marks.

The productivity in many economic sectors in the GDR is approximately 50 percent lower than in the FRG, and in agriculture it is lower still, meaning that a sweeping rationalization and modernization, as well as a radical reform of the economic system, could, at least for the long haul, solve the labor shortage problem of the GDR and also increase the motivation of the workers.

But for that there is no money. And so—as in the days before the negotiations on the “Basic Treaty”—GDR researchers are again trying to calculate the losses that the GDR has suffered as a result of the exodus and alleged enticements to leave the GDR for the West. Professor Peter Thal of the University of Halle feels that 10,000 employees would generate a yearly national income of 300 million GDR marks. For 100,000 resettlers, this would equate to 3 billion GDR marks per year. But, thus Thal, it has to be kept in mind that the resettlers, had they stayed in the GDR, would have worked for at least 30 more years. Viewed thusly, the long-term loss has already reached a hundred billion.

The totals are not quite as high if one listens to the rector of the SED Academy for Social Sciences, Otto Reinhold. In a televised discussion last Monday, he stated that the cost of training one skilled worker was approximately M 95,000; for 100,000 resettlers, this would equate to 9.5 billion GDR marks. According to Reinhold, the gain thus realized by the FRG through the resettlements could very conceivably be taken into account if and when the funds for financing the freedom of travel proclaimed for GDR residents comes up for discussion.

The situation could also, somewhat cynically, be viewed the other way around. Since, according to the admissions which the new freedom of discussion in the GDR has generated, most GDR enterprises work at a loss, every resettling worker who is effectively utilized in the West represents an economic gain for both sides. And, in addition to this, it should not be forgotten that hundreds of thousands of resettled retirees draw their retirement benefits here in the West, without the slightest financial contribution by the GDR, for which they worked for decades.

Aging Autos, Spare Parts Deficit Plague Consumers

*90EG0046A East Berlin TRIBUNE in German
26 Oct 89 p 3*

[Article by Ingrid Aulich and Thomas Scholze: “From the Exhaust to the Cylinders—Nothing but Spare Parts Worries.” Article contains interviews with Gerhard Nennstiel, chairman of the executive board of IG Metall,

and Karl Kalauch, chairman of the executive board of IG Transportation and Telecommunications, dates and places not given]

[Text]

[Box, p 3]

What Is a Standing Vehicle? A conveyance with no seats? A car without wheels? A traffic obstruction? In any case, it is a contradiction per se, when something that is intended to move on wheels is standing still.

In transportation, “standing vehicles” are those which, for reasons of repair, maintenance, or rebuilding, have been temporarily withdrawn from road use. But in this country there are now twice as many that are not moving because they cannot find parts. Spare parts—a provocative word in this country. It upsets the manufacturers, who cannot make enough of them, as well as their colleagues in the publicly-owned, cooperative, and private repair shops who cannot get enough of them. But most of all, it upsets the car owners, for whom shop deadlines, repair times, and inspections are perpetual problems.

Acknowledging the dissatisfaction that is rampant among the workers in our automobile industry, the automobile repair sectors and the car driving population of our country, two executive boards addressed this problem in a joint secretariat session. The executive board of IG Transportation and Telecommunications and IG Metall examined how the spare parts situation could be influenced for the better using the means at the unions’ disposal. They passed a joint “resolution on union influence in meeting the need for spare parts and providing an adequate selection to further improve the quality of the repairs on passenger cars and the W50/L60.” [end box]

The Situation

There are at present 3.5 million registered vehicles in the GDR. The cost of needed repairs has doubled since 1977. Today it comes to 20 hours per vehicle annually, and only about 70 percent of material requirements can be met. That means there is a shortage of spare parts and insufficient repair capacity.

In this country 76,000 workers are employed in vehicle repair, 25,000 of them in cooperative and private shops. All of them have doubled their total productivity since 1975. Expenditures by the population for repairs have risen threefold, from M 229 to M 992 million.

Great efforts are being made in the passenger car combine to improve the situation. More than one-third of total production is now devoted to the manufacture of spare parts. On the international level, between 6 and 8 percent is normal and customary. In spite of the inflated proportion of spare parts in the volume of production, supply is lagging behind demand. This also applies to the

supply for imported vehicles from socialist countries. Increasing demand is encountering a decline in the import of spare parts.

Concerning the Causes

One of the circumstances that has led to this unsatisfactory situation is the increasingly excessive age of our stock of passenger cars. New vehicles are being added at the rate of about only 4 percent annually. The average age of our cars has increased from about 8 years in 1975 to 12.6 years currently. (Forecast for 1995: 15.4 years.) As a result, more than half of the vehicles are more than 10 years old, and their need for spare parts is two or three times as great. They are all "swallowing" a good three-quarters of our supply of spare parts. Each year less than 1 percent of the total number is scrapped, a figure which cannot be changed with the present rate of supply of passenger cars.

Another reason for the high rate of needed repairs in our cars is the declining quality and the falling production of our domestic automobile industry and of the imports from socialist countries. The time spent for warranty work on Trabants and Wartburgs has doubled in the last 2 years, and it has risen even more with the Lada, where it was already high. The number of warranty cases has also increased. On the average, a Trabant has to go in for warranty repairs 1.55 times, a Wartburg 1.5 times, a Lada 2.43 times and the Dacia 5.43 times. In the case of the Golf it is only 0.05 times.

At the present time, there are no guaranteed materials to supply spare parts for imported vehicles. In addition, there is an absence of willingness on the part of foreign partners to supply parts. This is a considerable hindrance to their availability. This situation is particularly true of the CSSR and the USSR.

Initial Thoughts

The problem of spare parts is a perennial topic in the responsible committees of the state organs. Between 1984 and 1989 17 resolutions were passed in the Council of Ministers on this subject, but they have not brought about any noticeable improvement so far.

These are the views of the executive boards, based on available studies conducted at 10 production plants and 11 contract repair shops:

- The spare parts problem cannot be solved completely through competition (the growth resulting from competitive initiatives: in 1989 there was an increase in output of M 10 million; against this there are deficits of M 250 million). Competition can be effective in solving individual high-priority problems (13 centrally selected items for the Trabant, the Wartburg, and the W50).
- Clear decisions from the central economic planning organs are absolutely necessary regarding product-oriented production, not one determined by quotas, and the necessary investments.

- There must be greater involvement of the supplier industry, which supports a good two-thirds of the spare parts program.
- Questions concerning stimulation must be resolved, ranging from compensation for master workers to challenging our comrades to come up with their own initiatives; a specific contribution to the wage fund for better quality is needed.
- Improved working conditions for many of our comrades in this area are urgently needed.

All this requires a new strategic concept to integrate these questions into economic decisions.

What Can Be Done

IG Metall will exert its influence to see that:

- all the initiatives from plants and collectives to manufacture high-priority items for selected spare parts for the Wartburg, the Trabant, and the W50 find support and that the supplier chain is organized;
- there is meaningful stimulation in morale and the supply of material;
- through the ministers, conditions are created in the combines for high output from the metal workers;
- additional plants take on spare parts for passenger cars as part of consumer goods production.

The objectives for IG Transportation and Telecommunications are:

- to institute in vehicle repair shops effective initiatives which have a great effect on supply;
- to open up additional reserve capacity for vehicle repair;
- to continue to introduce wages tied to productivity in accordance with output.

Both unions jointly will:

- exert union influence more forcefully on the appropriate minister in order to ensure the unity of the contract plan to balance supply and demand.
- exchange experiences with union executive committee chairmen in April.

The unions charged their bezirk committees and the collectives of the plant union executive committee chairmen to reach some determinations, based on these measures.

In April and July 1990 both secretariats will announce the cost of implementing this resolution.

Interview with Gerhard Nennstiel, Chairman of the Executive Board of IG Metall

[TRIBUENE] Comrade Nennstiel, supplying spare parts is not really a matter for the unions. Why are two executive boards becoming involved here?

[Nennstiel] This view is correct if one approaches the matter from an organizational principle. It ceases to be correct if one considers the political dimensions of this

supply problem, which affect the majority of our population and decisively influence the barometer of popular opinion. Anyone who has waited many years for his car and has saved for it for a long time, would like to have a trouble-free product in front of his house, and not a nightmare.

[TRIBUENE] But the union cannot force the production of spare parts....

[Nennstiel] But it can make its own independent contribution to our achieving progress in this area, by making its influence felt in the integration of these problems into the planning decisions of our highest economic organs; it can direct its committees and managing bodies to resolve these questions consistently; it can also—based on the willingness to produce and the wealth of ideas from the factories and collectives—set a course that promotes initiatives aimed at supplying spare parts that meet needs and represent an adequate selection.

[TRIBUENE] What ideas do you have in this regard?

[Nennstiel] For example, stimulating quality improvement in the manufacturing plants. One way is to raise the limit of the service life of parts subject to wear. This is a broad field for our innovators. Or: Currently, when spare parts or rebuilding work are first brought into the production program, there is a bonus fund premium of 5 pfennig per Mark of sold goods production. Starting in the second year, this incentive applies to every Mark of plan overfulfillment. The union has agreed to this rule since 1984. Now we have to examine whether it is appropriate to what we want to achieve or whether decisions that have a better effect are needed.

[TRIBUENE] What kind of car do you drive yourself, Comrade Nennstiel?

[Nennstiel] For my work in the organization a Lada 2107. My personal car is the same make, 4 years old—and both of them have problems with spare parts.

Questions for Karl Kalauch, Chairman of the Executive Board of IG Transport and Telecommunications

[TRIBUENE] Comrade Kalauch, for the first time in your area collectives in publicly owned repair facilities have not agreed to the goals of state targets. How did this come about?

[Kalauch] In all areas of our IG the increase in the number of voices criticizing the inadequate material-technical assumptions and the insufficient supply of spare parts to attain these goals characterized the course and the results of the discussion of the 1990 plan. They were based on experience from prior years. The vehicle repair facilities of the transportation combines Auto Trans Berlin, Suhl, Halle, and Potsdam have not been able to fulfill their plan quotes since 1986.

[TRIBUENE] How did you react?

[Kalauch] The study we conducted in conjunction with the Ministry for Transportation showed that rejecting the STAG goals in this area is understandable and justified. Especially as no effective improvement in the spare parts situation can be expected for 1990. So, in our position, we were supporting the minister when he proposed not planning the productivity increase in vehicle repair at 111.4 percent as intended, but only at 107 percent.

[TRIBUENE] Of course this means you are below the population's needs?

[Kalauch] We are aware of that, but we think that future supply in this area will only improve on the basis of an agreement in the contract plan to balance supply and demand. Closing our eyes in the face of difficulties does not help us, nor does pretending something to ourselves, to our comrades, and to the population. We think it is the better way to setting realistic goals. Within this framework we want to employ all the possibilities of trade union influence to reach a higher level in vehicle repair and service performance.

[TRIBUENE] As head of the IG Transportation Union—do you have any special connections with a repair shop?

[Kalauch] Since December 1981 I have been the satisfied owner of a Wartburg, which has been serviced and if necessary repaired by Auto-Service Berlin, in the Berliner Strasse. No special waiting list and no preferential treatment. Just like any other citizen.

Foreign Cooperation in Power Plant, Pollution Control Needed

90EG0066A East Berlin *BERLINER ZEITUNG* in German 15 Nov 89 p 3

[Interview with Manfred Dahms, general director of Power Plant Construction Combine, by Alexander Osang: "Nobody Can Do Everything Alone"; date and place not given; first paragraph is *BERLINER ZEITUNG* introduction]

[Text] It would appear farfetched to find a common denominator for a flue gas desulfurization plant and a cordless electric shaver. The power plant construction combine constitutes a bridge between the two, because both items are to be produced there in the future. Which will not be a simple matter in either case. To overcome these problems, Combine General Director Manfred Dahms would like to work with foreign partners to a greater extent than before. In this interview we tried to establish his ideas for such a partnership.

BERLINER ZEITUNG: Your combine was transferred from the Machine Tool Ministry to the Coal and Energy Ministry. Was that worthwhile?

Dahms: There were advantages and disadvantages. The advantage is a closer tie with energy-producing activities;

the disadvantage is the disruption of the chain of cooperation with the heavy machinery combines. In addition, the ministry now regards us as a repair shop for energy items. That is not our job. Not our primary one.

BERLINER ZEITUNG: What are your ideas for close collaboration between ministry and combine?

Dahms: If everybody does what he is supposed to do and what he knows best. For instance, our ministry has responsibility for the energy management concept and tells us, among other things, when and in what sequence capital items are to be delivered. How we comply with this energy policy edict must be left to our discretion. This dividing line between authorities is vague at this moment. So long as the freedom of action for the combines is not clearly defined, people interfere with our work with which they are not sufficiently familiar. This is true also for foreign markets. There is much talk these days of international cooperation. But this must be well prepared, and there is not much time. If we wait until the EC inner market opens up, we will be hopelessly left behind.

BERLINER ZEITUNG: Shouldn't you be more concerned with the future of the GDR market rather than that of the EC market? After all, you have your hands full with the reconstruction program for soft coal power plants and the nuclear power plant program.

Dahms: The preoccupation with both of these markets cannot be separated. The idea that one can go it alone is wrong. The GDR's energy program can be resolved only in close cooperation with partners in the East and West. That is why we are engaged in systematically building a production cooperation with Western enterprises, especially with FRG firms. As an example, we are currently preparing to import vortex layer furnaces with a certain capacity rating—a high-technology item. We will pay with exports for the purchase of the license, the production documentation and technological equipment for our plants, to enable them to become familiar with this high technology themselves. This results in a production cooperation which enables us to connect with EC standards and norms which will permit us to enter third markets jointly with FRG enterprises. It has occurred in our country that highly productive facilities were imported for specific assembly groups. This usually leaves a blank in our area of competence. We do not want to commit such errors. That is why we are concentrating on a stable, long-term collaboration, starting with joint project design and ending with a joint market entry.

BERLINER ZEITUNG: How do you go about recruiting a modern and efficient enterprise for such long-term collaboration?

Dahms: Not with high-pressure arguments, but with economic considerations. Obviously, the FRG firm wants a receptive market and well-trained workers. It can find both in the GDR. To put it bluntly, it wants to become the kingpin of energy production.

BERLINER ZEITUNG: Are these international relationships of benefit to us in the environment sector also? In this respect, the FRG is among the world's leading industrialized nations.

Dahms: FRG industry has invested a lot in environmental protection. It paid almost half the investment capital for desulfurizing and denitrogenation of a 500 megawatt power plant. During the last few years, they have spent a total of M 20 billion to protect the air from the 2 million tons of sulfur dioxide produced by FRG power plants. We produce about 5 million tons of sulfur dioxide every year. You can imagine what it would cost to eliminate this, and that right now we cannot afford to do so by ourselves. Increased cooperation would be an answer to this.

BERLINER ZEITUNG: Yes, but we can hardly bury our heads in the sand and be content with saying "There is nothing we can do about it." And the solution used in Jaenschwald, to build slightly higher smokestacks for more even distribution of the pollutants, is extremely short-sighted.

Dahms: I only mention the comparison with the FRG to illustrate our position, and how expensive environmental protection is. No one must think that all that is needed is to publish environmental statistics.

Of course we do not bury our heads in the sand. As for flying ash we have found a technological solution in the SKET combine which is compatible with international standards. In Rummelsburg, for instance, it works flawlessly. We will incorporate this method in all the conventional power plants which we are rebuilding. Desulfurization is much more complicated. In smaller heating plants we are gradually introducing the GDR-developed vortex-layer process. For larger power plants we are still experimenting with a pilot facility in Luebbenau.

I want to emphasize once again that the biggest power plants with the largest pollutant emission must be treated jointly with partners from the capitalist industrialized countries. The market situation is very favorable, because in the FRG for instance some methodologies have been developed which they are offering to sell us very cheaply. The firms are lining up here for this.

BERLINER ZEITUNG: Prior to accepting such offers, shouldn't we investigate the qualifications of the partner concerned, rather than the price? The British firm Davy McKee, for instance, received the contract for the Rummelsburg desulfurization installation, despite the problems it had with a similar facility at the Buschhaus power plant in the FRG.

Dahms: Basically, qualification and price are two aspects of the same thing: We must find the funds for it ourselves and learn to produce this technology ourselves. My ideas range all the way from cooperation agreements to joint ventures. As to Rummelsburg, your paper published all the essential information on 8 November.

BERLINER ZEITUNG: Nuclear power plant construction too is a very international matter, among other things, because of the heavy responsibility. A nuclear power disaster is no respecter of national boundaries. How does the GDR deal with such requirements?

Dahms: By being uncompromising in forcing plant constructors to comply with international standards. Nuclear power plant construction has been revolutionized by two incidents. The first was the catastrophe in Harrisburg in 1979, which made Western nuclear energy generation into high technology; the second, in Chernobyl in 1986, which accelerated this process in the USSR also. This led to enormous slow-downs and cost overruns in the Nuclear Power Plant Nord. But there is no compromising with safety. In any case, Block 5 in Greifswald goes into full operation in December. Three additional blocks are to generate power there by 1994.

BERLINER ZEITUNG: The first 1000-MW block in Stendal is to enter the network in 1994 also. Is that a realistic target date? There are rumors that there are problems with the Soviet partners, who are providing the bulk of the equipment for Stendal. If necessary, could Western partners be found for nuclear power plant construction?

Dahms: I cannot answer those questions, because we are about to enter contract negotiations with our partners in the USSR. At a time like this no responsible enterprise would offer any speculations. After the end of the negotiations, I will gladly report on their outcome.

BERLINER ZEITUNG: Shaver production too has an international component. According to rumors, the production of cordless shavers came to nothing because of a prohibition against the import of micro motors issued by the State Planning Commission. You have, nevertheless, promised on several occasions that these shavers would be produced. Will you make good on your promise?

Dahms: Yes, even though with some delay. Mass production will start in 1992. The export of our shavers alone will bring in DM 1 million; 80,000 marks of this sum will be required to buy the micro motors from Japan. Actually, even such a famous shaver manufacturer as Braun gets his motors from the same source.

Outdated Telephone Network Requires Massive Renovation

90EG0055A Munich SUEDEDEUTSCHE ZEITUNG in German 16 Nov 89 p 33

[Unattributed article: "GDR's Telephone Misery Cannot Be Overcome in the Short Term: Experts Say the Rotten Prewar Network of the GDR Postal Service Cannot Be Stressed Further"; first paragraph is SUEDEDEUTSCHE ZEITUNG introduction]

[Text] Bonn—The catastrophic situation of the GDR telephone network cannot be corrected in the short term even with the help of extensive investments of billions.

According to specialists, the telecommunications network of the GDR is so hopelessly outdated that a completely new network needs to be built there as the backbone for a modern communications system, they say in Bonn's Ministry for Post and Telecommunications. The improvement of the internal German telephone system is one of the subjects about which Chief of the Federal Chancellery Rudolf Seiters will hold initial exploratory talks in East Berlin next Monday [20 Nov].

For many years now, the German Federal Postal Administration has been helpless with respect to the telephone misery in the other part of Germany, for all efforts for improved internal German telephone communications ultimately failed because the network in the GDR, largely established before the war, is totally dilapidated and can no longer cope with even the slightest peak loads. It is clearly the eye of the needle in the internal German telephone system, for the Federal Postal Administration could quadruple the number of its operable lines in the GDR within a short time. The result, however, would be the complete collapse of the GDR's internal network, the condition of which is considerably worse than that of comparable networks in many countries of the Third World. The service density in the GDR, on the other hand, is quite comparable to that of developing countries. Whereas the almost 60 million inhabitants of the FRG have more than 40 million telephone connections, there are only just under 4 million call stations for the 17 million inhabitants of the GDR, of which the lion's share is for subscribers in industry and administration. Meanwhile, the waiting time for a telephone connection is no longer measured in months and years but in generations. Even a Trabant or Wartburg can be had in the GDR more quickly than a telephone connection. Waiting times of 20 years are no longer anything extraordinary, especially in rural regions of the GDR.

But even for the few lucky people between Suhl and Rostock who have their own telephone, it is seldom a pleasure to use it. The quality of most connections, to the extent that a conversation even takes place after countless attempts at dialing, is generally miserable. In the event of prolonged rainy weather, when water penetrates defective cable lines, generally nothing at all happens. Subscribers in the FRG can be reached only occasionally through direct dialing, which has been introduced everywhere in the GDR, at least on paper. Direct dialing from the GDR to the FRG is primarily limited to subscribers in the metropolitan area of East Berlin, who, in turn, can reach only a small share of the local exchanges in West Germany through direct dialing. It is a curious fact, however, that with a little luck one can call other Western countries directly from many local exchanges in the GDR. The main reason that Paris is easier to reach than Passau is that there are only 48 fully automatic lines available for German-German calls from the GDR and East Berlin, whereas there are 630 such lines in the opposite direction. Including semiautomatic connections and so-called hand-calling lines, there are currently

1,529 lines in operation between the GDR and the FRG, of which 1,313 are from west to east and 216 in the opposite direction. In 1988, there were 24 million calls put through to the GDR and 14 million calls from the GDR.

So that it can at least reduce the tremendous waiting times for telephone connections somewhat, the GDR postal service began some time ago to divide existing main stations in large cities: when one subscriber is talking, the other can neither call nor be called. Protests from previously exclusive subscribers are thereby almost always unsuccessful. The provision with telephones is especially disastrous in the countryside, where in many villages there is only one connection. Its possessor must obligate himself to let other inhabitants of the village call at any time or to go and get them when someone calls them. The so-called time-shared lines (ZGA) are a special manifestation of socialist telecommunications. Their holders are not allowed to make any outgoing calls on weekdays between 6:30 and 16:30, because these lines are also used by enterprises and administrative offices during the day.

From the point of view of West German enterprises that might decide on a joint venture with GDR partners in the near future, the communications problem in the GDR also appears especially serious because up-to-date services such as Telefax, Teletex, BTX, or Datex are still unknown. But dependable and efficient connections with the FRG, which the West German participants in joint ventures would urgently need, could be set up in a short time by satellite. The postal service's own "Kopernikus," which has reserve capacities for telephone connections between West Berlin and the Federal territory, could relatively easily provide for additional transmission possibilities in such cases. But the GDR cannot get around the immediate rebuilding of its telecommunications network if it wants to hold its own in international competition.

HUNGARY

3-Year Government Economic Program Announced

25000534A Budapest HETI VILAGGAZDASAG in
Hungarian 18 Nov 89 p 8

[Text] By hearing the government's 3-year economic program proposal next week Parliament will be literally working for the future. Most certainly, during most of the projected period, both the government that proposes the program and the National Assembly that adopts it will be things of the past. The structure, approach, and language of the program released a few days ago do not differ much from previous documents of this nature.

From the unavoidable analysis concerning external and internal factors, it is worthwhile to point out the following: Hungary's debt repayment obligations in 1990 will be \$1.8 billion, \$2.3 billion in 1991, and \$2.9 billion

in 1992, while interest payments may be estimated at between \$1.3 and \$1.5 billion annually. The dollar surplus to be produced jointly by the economy and by foreign tourism may be estimated between \$700 million and \$1 billion; this would cover 70 percent of the interest payments. Thus between \$2.5 billion and \$3 billion would have to be borrowed on the international money market. The conclusion: Under these payment conditions the fundamental economic policy requirement is to reduce the convertible currency balance of payments deficit, and to reverse the deteriorating processes of 1989. (At approximately \$1.4 billion, this year's current balance of payments deficit will be twice as large as planned.)

In an unchanged manner the government designates as the primary goal the economic structure's strongly increased capacity to adapt. This could be accomplished by improving conditions for entrepreneurship, and within that through proprietary reform. Except for a few general statements having the character of requirements, the program does not waste many words on the latter. At the same time, the program promises competition and anti-monopolistic rules and regulations, continued liberalization and deregulation, the further development of missing financial institutions including the stock market and the financial infrastructure, and a reduction in the tax burden. According to the present government's present day perceptions, the current balance of payments deficit in 1990 may be \$800 million at most, and the program stipulates that "Travel for the purposes of tourism must be continued to be made possible."

"Plans call for the attraction of between \$250 million and \$300 million operating capital. Exports payable in convertible currency will increase at an annual rate of 5-6 percent, while imports will increase by 4-5 percent. (The latter rate of increase is based on the idea that imports will be fully liberalized within 2 years.)" With regard to trade payable in rubles, the government projects administrative restrictions and prohibitions so that on the Hungarian side the annual mercantile trade shows a 200-million-ruble deficit.

The government program is rather detailed with regard to anticipated production data during the coming 3 years. It goes into such depths that it indicates that "a more moderate amount of capons will be produced, while the production of large body and water fowl will expand." On the other hand, in the matter of infrastructural development that is expressly within the state's jurisdiction, the program projects only a decrease in the rate of deterioration, with telecommunications and information networks being the exceptions. Without describing how this will be accomplished, the program announces that housing management will be modernized by 1990 in order to decrease the 80 billion forints payable in housing subsidies already this year.

As a result of structural change, the government program envisions that some 10,000 miners, 5,000 to 10,000 foundry workers, 8,000 to 10,000 machine industry

workers, and between 10,000 and 13,000 light industry workers will become unemployed, while those retaining their jobs will realize an average of 15 percent gross increase in earnings, along with a similar rate of inflation. "On a societal scale the need to follow thrifty, budgeted consumption patterns will continue," is the way the government program defines in a somewhat complicated manner the perspective of increasing impoverishment.

New Group Formed To Promote Proprietary Reform

Ownership Reform Discussed

90EC0136A Budapest MAGYAR NEMZET in Hungarian 18 Nov 89 p 7

[Interview with Laszlo Naray, economist, member of advocacy group for pluralistic forms of ownership, by Ervin Zsubori: "In the end there will be nothing to distribute...."]

[Text] Taking advantage of opportunities provided by the 1984 Law on Enterprises, spontaneous privatization actions and the sale of public property below market value once again brought into sharp focus the need for a radical rearrangement and settlement of ownership conditions. These cases stirred up scandal and were regarded as attempts to salvage power. At the same time, however, details of proprietary reform remain in the dark. Considering this fact one should welcome the initiative whose first pronouncement we present below. We discussed the establishment, goals, and perceptions of this group of six with its founder, economist Laszlo Naray.

A Pluralistic System

[MAGYAR NEMZET] What should we know about this group? Should it be regarded as a professional or a political grouping, or perhaps a group of friends? What is the common bond of this group?

[Naray] This is clearly a group of professionals. It is our purpose to lay on the table a fine-tuned professional concept for transforming the system of ownership. Present spontaneous privatization processes have not been thought through, they do not satisfy society's sense of justice, and they are dangerous in the long run. There is not a mature, broadly known and accepted proprietary reform concept. Related debate continues within a narrow group concerning details and techniques. Perceptions thus far have tried to squeeze all of society into a single form of proprietorship or method of ownership. We advocate a pluralistic system of ownership in which the most diverse concepts and forms are capable of competing alongside each other.

[MAGYAR NEMZET] What professions are represented in the group, and what is the meaning of independence from the parties?

[Naray] There are economists, lawyers, sociologists, and workers among us. We regard ourselves as an open organization. Whoever agrees with our declared basic principles may join in our workings. The six signatories include persons who are not members of any party, but there are some who are members of the Hungarian Democratic Forum [MDF] and the Alliance of Free Democrats [SZDSZ], and there is one former member of the Hungarian Socialist Workers Party [MSZMP]. Our independence from parties means that we are not working for any one of the parties, we would like to develop some independent material of a professional character. This does not mean of course that individual members would not want to have their own contributions adopted as their respective party's position. Nevertheless, our goal is to prepare an alternative proposal, one that is not tied to the political program of any party.

[MAGYAR NEMZET] Why are you making a public statement already?

[Naray] In our view, the values and principles which serve as a basis for proprietary reform—and these are debatable—have not been presented to the public to this date, and therefore societal debate over such values and principles has not begun. By publicizing these we would like to stimulate debate and common thought, and to motivate parties and organizations to define their fundamental values.

Soup With Meat or Squash as a Side Dish

[MAGYAR NEMZET] Do you believe that it is possible to organize a debate about proprietary reform, one that moves the masses and can be understood by the simple citizen?

[Naray] Most certainly this cannot be accomplished with regard to specialized issues. On the other hand, one may argue about the issue of whether workers should receive property, because this issue can be understood by the most simple people. Thereafter it is the professionals' job to determine how that should be accomplished. Establishing basic values is important also because of the need for societal control. True, a meal can be prepared only by the cook, but its taste can be judged by everyone. But in order to judge the cook, those who eat the meal he prepared must know in advance what he wanted to cook: Ujhazi hen soup or a side dish made of squash....

[MAGYAR NEMZET] You state that public property should be transferred to individual or group ownership only in lieu of compensation at full value. This requires a realistic assessment of the property first of all.

[Naray] This is indeed a difficult problem that can be resolved only by the capital market in any decent manner. For all practical purposes there is no capital market today, because the demand side is rather poor. We believe that our proposals may contribute to the expansion of demand. It is an important element of our perception that those who have no money should also be able to take advantage of opportunities for ownership.

But this opportunity must not be provided in a manner so that these people do not risk anything, i.e. the opportunity must not be given in some kind of give-away form.

Ownership Without Money

[MAGYAR NEMZET] What is the truth: Should proprietary reform break down the strength of monopolies, or is it impossible to initiate radical proprietary reform without breaking the present large enterprise structure?

[Naray] This is a very difficult issue. In our book we are dedicating a separate chapter to this issue. As far as I am concerned, I believe that the dismantling of the monopolistic structure must begin prior to the introduction of proprietary reform, because proprietary reform alone is unable to resolve this problem. But proprietary reform must be accomplished in such a way that in the course of its implementation it will have helped break down this structure.

[MAGYAR NEMZET] If I understand the basic principles correctly, proprietary reform should favor private capital, the peasantry, the workers, local autonomous governments, health care, and the social and cultural spheres all at once, moreover, it should also protect public property. Can all these interests be correlated, i.e. would it be possible to reach a full consensus?

[Naray] Indeed, we want to accomplish all these things at once. No perfect consensus exists of course. But every form must be given a chance to survive so to speak, and the reality of each form will be proven in real life. Quite naturally, chances in individual areas of endeavor are far from uniform. A system should be established in which the starting line is as straight as possible. It will never be entirely straight, however.

[MAGYAR NEMZET] How would the cause of proprietary reform be affected when a coalition government appears as a result of free elections?

[Naray] This is a fundamental condition of proprietary reform. A reform of this nature is accompanied by a huge upheaval, it can be undertaken only by a government sanctioned by the people. And this should be accomplished as soon as possible, because meanwhile adverse, spontaneous privatization continues, and a situation could easily develop in which there is hardly any public property left to be dealt with by proprietary reform....

Statement on Reform Principles

90EC0136B Budapest MAGYAR NEMZET in Hungarian 18 Nov 89 p 7

[Statement by Laszlo Arva, Bertalan Diczhazi, Janos Lukacs, Laszlo Naray, Vince Szabo, and Erzsebet Szalai: "The Basic Principle of Proprietary Reform"]

[Text] Proprietary reform has become the subject of increased debate in recent months. This is a welcome phenomenon, nevertheless it raises concern that thus far in the course of debate the fundamental values implicit

in proprietary reform, the differences of opinion regarding these fundamental values, have not been clarified. As a result of this fact, debate concentrates mainly on various structures and techniques, while conceptual differences in values are disregarded. Perhaps the most damaging effect of this approach is that this subject appears to the public as overly specialized, people do not feel that they are capable of becoming, or are being prompted to become involved in this issue.

Our group is independent of all parties. It begins open debate by expressing its own values, and calls upon various organizations to become similarly involved in the process of clarifying this matter.

Proprietary reform must support political reform from an economic standpoint. The purpose of political reform is that the people of this country once again take hold of their country. The economic principle that corresponds to this is that the people also take possession of their country in an economic sense.

The purpose of proprietary reform is to broaden the societal base of reform. The fact that society does not believe that reform can be successful and that only a small part of the citizenry is politically active represents a severe problem. A change in this may occur, when people recognize that reform would positively impact on their everyday lives and on their future, as long as they view reform in the context of their own lives, their own everyday, and by way of an appropriate settlement of the ownership issue.

Proprietary reform must not conflict with the sense of justice reflected by broad strata of society. For some persons to be enriched because a few are able to acquire public property at unrealistic prices as a result of proprietary reform would be impermissible. The threat exists that those in power today may take possession of this country even in terms of civil law. Public property must be transferred to individual, joint, or group ownership only in lieu of full compensation.

The success of proprietary reform is largely dependent on the extent to which we succeed in disintegrating present monopolies. For this reason, need calls for a kind of proprietary reform which itself contributes to the disintegration of this power structure and to reducing the strength of these monopolies.

In the course of implementing proprietary reform an opportunity must be established for workers to become part owners of their enterprises. We attribute great significance to workers councils presently being formed, in terms of organizing a program which provides for stock ownership by workers (employees).

On the one hand, proprietary reform must establish solid, independent financial bases for local autonomous governments, as well as for health care, cultural, and social institutions. On the other hand, it must provide an incentive for these institutions to manage themselves in a rational and thrifty manner.

Proprietary reform must guarantee the security of private property, and must stimulate the internal development of private enterprises. The obstacles in the way of these must be removed.

Proprietary reform must also serve the purposes of the state budget, it must contribute to a significant reduction in expenditures and in taxes, and thereby support economic evolution.

In dealing with proprietary reform we must start out from existing ownership relations. In the course of the past 40 years the Hungarian economy and society have experienced fundamental changes which render impossible the reconstruction of the proprietary conditions of 40 years ago. At the same time, however, peasants who are members of cooperatives must be given full ownership, in contrast to their present status as nominal owners.

This country's catastrophic economic situation demands that a significant part of state property be transferred to new owners as soon as possible. Nevertheless, transformation of the system of ownership can be accomplished only at a pace which does not violate the principle of the equal status of ownership forms and the above basic principles. For this reason a conceptual and practical structure for ownership must be established, one that provides the broadest possibility for changing the forms of ownership.

Proprietary reform implemented above the heads of members of society carries the initial risk that adverse feelings will evolve in strata left without property and power. This feeling could evolve into clear aggression appearing in the cloak of the most diverse ideologies and aimed against the new ruling elite. We do not necessarily have in mind some great explosion in society. Considering the features of Hungarian society, the evolution of small or large local conflicts would be more likely. Nevertheless, these conflicts would suffice to paralyze innovation and the entrepreneurial spirit, moreover, the resultant circumstances could render all kinds of economic activities uncertain. Societal consensus regarding proprietary reform is the fundamental condition for political consensus.

Laszlo Arva, Bertalan Diczhazi, Janos Lukacs, Laszlo Naray, Vince Szabo, Erzsebet Szalai.

Entrepreneurs' Problems at Court of Registry Discussed

25000534D Budapest HETI VILAGGAZDASAG in Hungarian 18 Nov 89 pp 73-74

[Interview with Mrs Maria Bodor Horvath, deputy group chief of the Court of Registry of the Budapest Court; and Maria Winkler, presidium member, National Association of Entrepreneurs: "Establishing an Enterprise: Operating Difficulties"; date and place not given]

[Text] The "computer" at the Court of Registry in Budapest is unable to correct its records if a firm changes its name. This is only one of the signs that indicates that the technical capacity of courts of registry is below minimum, which is one reason why it is rather difficult to establish an enterprise in Hungary today (HVG 4 Nov 89). We asked Mrs Maria Bodor Horvath, deputy group chief of the Court of Registry of the Budapest Court; and Maria Winkler, presidium member, National Association of Entrepreneurs [VOSZ], why the proceedings at the court of registry are so difficult.

[HETI VILAGGAZDASAG (HVG)] Establishing an enterprise in Hungary appears to be an incredibly lengthy and tiresome process. What explains the difficulties?

[Winkler] I believe that they are due to inadequate material and technical provisions at the court of registry. They have not received the money and means necessary for normal operation. In Budapest, for example, they computerized the records, but the computer is not linked to the courts of registry in the countryside. True, that machine's memory would not be capable of storing all the data. This is how the absurd situation came about in which the new decree having the force of law providing for registration at courts of registry was changed in a manner so as to represent "reverse modernization." According to the decree, the Court of Registry once again verifies the priority of trade name registrations within individual jurisdictions only, and not at a national scale.

Beyond all this, one finds legal uncertainty, and this strengthens concerns raised by an incomplete technical background. The concept of an independent judiciary is new in practice, and so it happens that some persons not only take advantage of independence, they also abuse it. This takes place, for example, when a judge declares that "as long as he is a judge" individual letters of the alphabet will not be registered as trade names. At the same time, the trade name reporter is replete with such trade names....

The fact that today's Court of Registry judges were civil court judges or workers at the ministry just yesterday, and yet they must apply the legal provisions instantly, is a matter of concern even for experienced court of registry judges.

[HVG] It can be heard frequently these days that the courts of registry and entrepreneurs should cooperate. I do not believe that there is any need for such cooperation. Instead of cooperation, these courts should provide (legal) services. What is missing in order to change the courts of registry so that they truly perform a service?

[Horvath] I can say that all the efforts of courts of registry focus on applying the laws in a manner that will serve the entrepreneurs' interests. Practice is lacking, however, because ever since 1950 adjudication and training at courts of registry were stunted in Hungary. They stopped teaching business law at the university in

1948. There remained civil and financial law, and scientific socialism was added as a subject. Ever since that time, maybe a 10-minute period of a 5-year university level curriculum is allotted to the teaching of law concerning stocks. Of the court of registry judges in Budapest only three had substantial experience in business law.... In civil adjudication, the court of second instance plays a very important role in the formulation of uniform practice. Judgments rendered at the appeals level, and cases returned to the lower courts provide guidance to lower courts. This appeals level is virtually nonexistent in today's court of registry practice. The law that is involved here is completely different from civil law. It is in the elementary interest of entrepreneurs to establish their firms as fast as possible, and therefore the judge endeavors to satisfy all the needs of entrepreneurs. This is because in the event the application for registration is rejected, an entrepreneur may have to wait a year or two before the appeals proceedings takes place. He cannot take that risk. At the same time, the judge also gets tired of repeatedly returning paperwork and seeking new material—he has neither the time nor the personnel to do so. In the end both the judge and the entrepreneur want to "get it over with."

[HVG] This is precisely when entrepreneurs feel that their situation is completely uncertain: Each judge seeks different kinds of additional material.

[Horvath] This usually occurs when a judge does not receive what he needs after several attempts to reconcile. Incidentally, on the basis of procedural law, judges require only the submission of authenticated copies of the main registry and from the land registry—the latter showing the use of real estate—in addition to material itemized on the documents. And frequently there is a need for such documents. It has happened that an enterprise subject to bankruptcy proceedings designated a piece of real estate as part of the capital contribution to a stock corporation, while the real estate was mortgaged, meaning that the designated capital contribution was actually an indebtedness.

But in my view the above factors do not slow down the court of registry proceedings. Beyond the unquestionable legal and judicial uncertainties, the lack of appropriate technical conditions presents a far greater problem. For example, beginning on 1 January, record keeping in the form of a main registry will be discontinued, and the records of each Hungarian enterprise and cooperative will be transferred to the courts of registry. But we are unable to accommodate that volume of documents in our present building—there is simply no space. We will need more court of registry judges, but the number of authorized judges has not been increased, we may look for new judges only beginning on 1 January. At the same time, a greater workload will present itself immediately on 1 January. On top, we can hardly manage the load already at this point: The Budapest court of registry has 28,000 pending registration petitions before it.

We are unable to improve the situation by ourselves, because although entrepreneurs pay in 2 percent of the founding capital for being registered, it is the state budget, not we, who receives that money.

[HVG] It appears that those who apply the law are in no position to substantially alleviate the difficulties of establishing an enterprise. What did, and what does VOSZ do to improve the unfortunate situation that surrounds the establishment of enterprises?

[Winkler] We were instrumental in reducing to half the publication fee charged to certain companies. The draft implementing provisions to the recent decree concerning the registration of firms was completed not too long ago. In that framework consideration was given to everything possible that was recommended by us and others. As planned, this activity will not have to be listed as part of the Uniform System of Classification by Branches, a matter that was virtually impossible in certain instances. There is no longer a need to present a certificate of good moral conduct, and a presentation of original documents suffices in lieu of authentication, and presentation of the company's recording in the registry, or of the extract applicable to the firm is not necessary. On the other hand, we did not succeed in providing that the court may seek only those documents listed in the implementing provisions; essentially, they can ask for anything, whatever they feel they need to see. We are also trying to make it so that those planning to change their form of business at the end of the year should not be required to prepare two financial statements—one at the end of the year, and another because of the change. They should be able to deal with these two financial statements in one step so that the judge can order the change as of 31 December. We also would like to make it so that companies which have functioned already prior to 1 January 1989, i.e. the date when the law on business organizations went into effect, and which must change to a different organizational form, should not have to modify their corporate agreement according to the law on business organizations.

In the final analysis it is not necessary to find out whether the court of registry or the entrepreneur is the culprit. A court of registry cannot function differently from society. All this suggests that general societal problems change into a struggle between two persons, the court of registry judge and the entrepreneur, a struggle in which usually the entrepreneur ends up as the loser. This in turn creates a general uncertainty in entrepreneurship.

Joint Ventures With FRG Preferred

90EC0132B Munich SUEDEUTSCHE ZEITUNG in German 17 Nov 89 p 34

[Article by "thf": "Hungary Prefers Joint Ventures With FRG"]

[Text] Under the leadership of 41-year-old Minister President Miklos Nemeth Hungary's traditional contacts with the West appear to be growing even closer. The

Hungarian Foreign Commerce Bank in Budapest and the Hungarian National Bank have jointly established an institute to promote joint ventures with the Berlin Commercial and Frankfurter Bank (BHF-Bank), Frankfurt and the Deutsche Genossenschaftsbank (DG-Bank), Frankfurt. Simultaneously, an information center is being established in Munich to assist businessmen of both countries who are interested in launching joint ventures.

Gabor Erdeley, the chairman of the board of the Hungarian Foreign Commerce Bank, estimates that the number of joint ventures with Western companies has reached about 500. FRG entrepreneurs appear to be involved in every other joint venture. More recently, U.S. and British businesses have also been putting out feelers in Hungary—the more so since it has been possible for the past 2 and ½ years to transfer profits. To be sure, the total capital of all joint ventures appears to amount to \$700 million at most, since capital-intensive production companies are established most rarely.

In view of the obvious disparities in the joint ventures, the Hungarian Foreign Commerce Bank has now increased its activity in Frankfurt. The Hungarian National Bank contributes 40 percent of the DM 44 million capital stock of the German-Hungarian bank, with the DG-Bank providing 30 percent. The BHF-Bank and the Hungarian Foreign Commerce Bank are contributing 15 percent each. Simultaneously, the Hungarian bankers and Josef von Ferency, a business consultant, have established Hungaroconsult, Ltd. which economist Miklos Nemeth hopes will funnel "active capital" to Hungary.

Ferency's three-man operation intends to arrange initial contacts with Hungarian businesses without too much bureaucratic fuss. Next year, Ferency's partner, the Foreign Commerce Bank, will be opening an office in Budapest. In order to keep the business risks for FRG entrepreneurs down to a minimum, the Budapest institute will be sifting through the list of Hungarian applicants.

FRG Auto Magazine Establishes Partnership in Budapest

90EC0132A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 13 Nov 89 p 20

[Article by "hmr": "Auto Magazine for Hungary. Motor-Presse Establishes Joint Venture"]

[Text] Motor-Presse, a Stuttgart publishing conglomerate specializing in magazines dealing with motorized vehicles, is energetically expanding its presence on the Hungarian market. Last October, it published the first issue of AUTO PIAC [Auto Market], an edited version containing twice the number of pages, augmented by the know-how as well as the articles of the conglomerate's editorial staff. Previously, the magazine had been a purely Hungarian venture. The present magazine is

published by Motor-Presse Budapest Kiado f.t., a partnership one-half of which is owned by Motor-Presse International, a conglomerate subsidiary.

The remaining shares are owned by Hungarian partners, including Deszoe Futasz, a publisher who also has partnerships with other foreign companies. Futasz already publishes Hungarian editions of SCIENTIFIC AMERICAN and COMPUTER WORLD and will soon add PLAYBOY to his offerings. AUTO PIAC, a biweekly, has a circulation of about 60,000. It is one of three automobile magazines in Hungary. Two of these are published by partnerships which include German companies, i.e., Schwan, Munich and the Springer Group. The newly formed partnership will start publishing MOTOR REVUE, a motorcycle magazine, at the end of this month.

Last May, Motor-Presse started joint publication of MOTOROSOK, a motorcycle magazine, with another Hungarian partner; but the Hungarians apparently had other ideas. In any event, collaboration ceased in August. The new partnership has taken over most of the MOTOROSOK editorial staff, however.

The Stuttgart conglomerate is watching developments in the other East European countries closely, looking for suitable properties and partners. At the moment, however, nothing definite has developed. Motor-Presse, whose 1988 sales totaled some DM 311 million, expects its foreign holdings to increase by 3 percent to 28 percent next year. For years, the firm's foreign operations have been increasing at an extremely fast rate. The conglomerate presently publishes magazines in Switzerland, Spain, Italy, and France. Its flagship magazine domestically is AUTO MOTOR UND SPORT.

Military Contractor To Import, Equip Citroen Personal Cars

25000534C Budapest HETI VILAGGAZDASAG in
Hungarian 18 Nov 89 pp 8-9

[Text] Next year the consortium formed by Godollo Machine Works, Laser Technology, Ltd. and by the Technika Foreign Trade Enterprise will import at least 500 Citroen model AX and BX cars, but a few cars will be delivered already this year. Godollo Machine Works is engaged primarily in the repair of tanks. Like the rest of defense plants, Godollo Machine Works also finds itself in a difficult situation because of declining Hungarian and Warsaw Pact military orders. On the other hand, the plant's military as well as civilian purpose exports to capitalist countries are encouraging and are on the increase. The Ministry of Commerce granted an import license to the factory: Compared to their 1988 exports, they may spend 25 percent of their 1989 excess income on the importation of personal cars. Accordingly they may sell Citroen cars either for forints or for foreign exchange; the cheapest, 1000 cubic cm base model is expected to cost about 570,000 forints. There is little likelihood in the long term as to the Machine Work's ability to increase its exports each year by \$12 million

(500 cars cost about \$3 million, which represents 25 percent of \$12 million.) For this reason the factory is striving for Citroen to buy as much as possible from Godollo, and for the factory's trade with Citroen to reach at least an equilibrium. In addition to traditional mercantile exchange, several opportunities present themselves to accomplish this. For example, Citroen responded to a tender invitation calling for bids to renew Hungary's pool of ambulances. Their bid stipulates that the interiors of these vehicles will be assembled by the Godollo Machine Works.

Grain Trading Organization Privatized

25000534B Budapest HETI VILAGGAZDASAG in
Hungarian 18 Nov 89 p 11

[Text] Effective 31 December, the Grain Trust will cease to exist without legal successor, but on the following day the Grain Trading Limited Liability Corporation will begin functioning. It was established by the 19 county grain trading enterprises and by the Grain Trading and Milling Industry Service Enterprise with a basic capital of 740 million forints. The owners elected Daniel Lacfi, president of the discontinued trust, as managing director of the new corporation. The corporation will have no authority of a governmental character, and will be engaged primarily in foreign trade. Next year the individual county grain trading enterprises may become business organizations in which the producers in their respective areas may also share the profits, according to the founders' plans. Thus, although indirectly, producers will be able to control and influence the activities of the corporation, and will receive a larger proportion of profits realized from grain exports.

POLAND

Draft Law on Cooperative Movement Published

90EP0142A Warsaw ZYCIE GOSPODARCZE in
Polish No 42, 15 Oct 89 p 5

[Text]

DRAFT LAW ON CHANGES IN THE ORGANIZATION AND ACTIVITY OF COOPERATIVES

Article 1

On the effective date of this Decree all the existing cooperative unions are liquidated.

Article 2

The liquidator is appointed by the voivodship court proper to the seat of the cooperative union.

Article 3

1. The plants and other organizational units of cooperative unions that engage in economic activity, and in particular the plants (departments) operating on the

basis of their own balance sheets may be, with the exception referred to in Paragraph 8, transferred in return for a monetary consideration to the cooperatives founded by the employees of these plants and organizational units, on the principle of priority.

2. The liquidator appraises the assets of the plants and organizational units referred to in Paragraph 1.

3. Payments for the assets of the transferred plants and other units referred to in Paragraph 1 are made in the amount of 50 percent of their value but not less than in the amount necessary to cover that part of the obligations of the cooperative union for which the plant or organizational unit is proportionally responsible, provided that:

1) one-half of that amount due is payable individually on prorated basis by the employees to the liquidator before the new cooperative is registered;

2) the remaining half is paid out of the cooperative's balance-sheet surplus to the liquidator or, if the liquidation of the cooperative union is completed, to the Supreme Cooperative Council, which will use the thus accrued funds for the purposes defined in Article 5, Paragraph 3.

4. If the plants or organizational units are not transferred to the cooperatives referred to in Paragraph 3, within 3 months from the date on which the cooperative union is placed in liquidation, they may be transferred to the cooperatives associated within the cooperative union. In the event that more than one cooperative apply to take over a plant or organizational unit, each applying cooperative has the right to the take-over of an equal part.

5. The take-over or transfer referred to in Paragraph 4 is bound by the provisions of Paragraphs 1 and 2. Payment for the assets of the plants or other organizational units is made by cooperatives in the amount of 50 percent of their value but not less than the amount necessary to cover the part of obligations of the cooperative union for which the plants or organizational units are proportionally responsible.

6. The obligations of the plants and organizational units incurred in connection with their operations are assumed by the purchasers of these plants and units.

7. The plants and organizational units not taken over by the cooperatives on the basis of the provisions of the foregoing paragraphs are subject to liquidation.

8. The organizational units handling the transportation of dairy products are subject to a break-up on the basis of a break-up plan prepared by the liquidator and thereupon to transfer to dairy cooperatives in return for monetary consideration. To this end, dairy cooperatives will form cooperatives of legal entities or commercial partnerships. The provisions of Paragraphs 1, 2, 4, 5, and 6 apply correspondingly.

Article 4

1. Vocational schools, training centers, social and cultural centers, and other institutions not engaging in economic activity may be taken over gratis by the cooperatives formerly associated in the cooperative union being liquidated. The provisions of Article 3 apply correspondingly to said take-over.

2. In the event that the organizational units referred to in Paragraph 1 above are not taken over by the cooperatives, they are subject to liquidation, with the exception of vocational schools, which are subject to take-over by the Supreme Cooperative Council in consultation with the minister of national education or, in warranted cases, by the proper educational authorities indicated by the minister of national education.

Article 5

1. The funds remaining after the liquidation of the assets of the cooperative union are transmitted by the liquidator to the Supreme Cooperative Council.

2. Other assets remaining after the liquidation of the cooperative union are, if unsalable, also transmitted to the Supreme Cooperative Council.

3. The Supreme Cooperative Council assigns the funds and assets referred to in Paragraph 1 and 2 for cooperative and social purposes, and in particular for financing cooperative schools and for financing or sponsoring the investments and organizational measures taken with the object of demonopolizing the structures and functioning of cooperatives. Detailed rules for administering the transmitted funds and assets are specified in the statute of the Supreme Cooperative Council.

Article 6

Matters not regulated in Articles 1 to 5 are regulated by the applicable provisions of the Cooperative Law Decree concerning the liquidation of cooperatives, with the exception of the provisions defining the competences of bodies of the cooperative union with respect to liquidation.

Article 7

1. The enforcement of the provisions of the "Cooperative Law" decree concerning the inspection of cooperatives is suspended until 31 December 1990.

2. On the effective date of this Decree all organizations and unions shall cease to exercise the function of the central cooperative unions defined in the "Cooperative Law" and other decrees or conferred under the "Cooperative Law" decree.

Article 8**Variant 1**

1. Prior notice of any intended merger of a cooperative with another cooperative or of the establishment of a

cooperative of legal entities or a commercial partnership in which a majority of members, shareholders, or stockholders are cooperatives, should be sent to the antimonopoly agency.

2. A merger of cooperatives or the establishment of a cooperative of legal entities or a commercial partnership in which a majority of members, shareholders, or stockholders are cooperatives may take place if the appropriate antimonopoly agency does not object thereto within 2 months from the date it is notified thereof.

3. The registration court shall refuse to register the merger of cooperatives or establishment of a cooperative referred to in Paragraph 1 in the event that the concerned antimonopoly agency makes known its objection as warranted by considerations of protecting the economy against monopolist aspects of the activity of newly proposed organizational entities.

Variant 2

In the event that the cooperatives which had, prior to the effective date of this Decree, belonged to the cooperative union being liquidated, form a new cooperative, a commercial partnership or some other organizational structure provided for by law, the registration court shall, before registering said structure, request the appropriate antimonopoly agency to take a position thereon; this shall not infringe on the powers of that agency ensuing from the regulations on counteracting monopolist practices in the economy. The court shall refuse registration if the founding act of the concerned organizational structure infringes the regulations on counteracting monopolist practices in the economy.

Article 9**Variant 1**

1. The antimonopoly agency may mandate a break-up of the cooperative of legal entities in which a majority of members are cooperatives, if its activities involve monopoly practices and thus are against social interest or against the economic interests of other economic organizations or consumers.

2. In the event that the break-up of the cooperative is not accomplished within the specified time limit, the antimonopoly agency shall request the registration court to order the liquidation of the cooperative.

Variant 2

1. Cooperatives of legal entities in which more than half of the members are cooperatives are ordered into liquidation a month after the effective date of this Decree, with the proviso of Paragraphs 2 and 3.

2. Within the time limit specified in Paragraph 1 the general meeting of the cooperative may pass, by a majority of three-fourths of votes, a resolution for applying to re-register the cooperative in the registry of

cooperatives. The governing board of the cooperative will publicize said request in MONITOR SPOLDZIELCZY.

3. In the event that an application to re-register the cooperative of legal entities in the registry of cooperatives is filed, or in the event that a cooperative of legal entities or a commercial partnership is established by the organizations which belonged or belong to the cooperative of legal entities liquidated pursuant to Paragraph 1, the registration court shall, before entering such a cooperative or partnership in the registry, ask the antimonopoly agency to take a position thereon, which is not meant to infringe upon the powers of that agency ensuing from the regulations on counteracting monopolist practices in the economy. The court shall refuse registration if the statute of the new cooperative or the founding act of the new partnership violates the regulations on counteracting monopoly practices in the economy.

4. The formal liquidation of the cooperative of legal entities filing the application referred to in Paragraph 2, whose registration is refused by the court takes place once the court issues a legal verdict on this issue. This fact is published in MONITOR SPOLDZIELCZY.

5. The corresponding provisions of Articles 3 and 5 apply to the cooperatives of legal entities liquidated pursuant to Paragraphs 1 and 4.

Article 10

1. The break-up of a cooperative may occur upon a request submitted by at least 10 members of the cooperative.

2. The resolution of the general meeting of a cooperative in favor of its break-up is passed by a majority of votes, with the proviso that the general meeting may desist from passing said resolution only if so dictated by important economic considerations.

3. In the event that the general meeting does not pass the resolution to break up the cooperative, the cooperative members who proposed the break-up may apply within 6 weeks from the date of the general meeting to the court for issuing a verdict replacing the resolution.

4. The provisions of Paragraph 3 apply correspondingly in the event that the general meeting fails to consider the break-up proposal within 3 months from the day it is made.

Article 11

Cooperatives may associate themselves in organizations whose formation and activities are governed by the provisions of decrees other than the "Cooperative Law" decree.

Article 12

1. The cooperative movement is represented in this country and abroad by the Supreme Cooperative

Council. It is a task of the Council to monitor the broad and correct development of the cooperative movement in Poland.

2. The Supreme Cooperative Council is a legal entity.

Article 13

In particular, the Supreme Cooperative Council:

1) determines the general directions of the socio-educational activities of social organizations;

2) initiates cooperation and mutual assistance among cooperative organizations in this country and abroad and organizes exchange of knowhow among them;

3) initiates, develops, and comments on draft laws concerning the cooperative movement or matters of major importance thereto;

4) initiates and organizes scientific research, engages in publishing activities relating to the needs of the cooperative movement and personnel problems in cooperatives, and cooperates in this respect with academic institutions;

5) implements other tasks defined in this Decree.

Article 14

1. The Supreme Cooperative Council consists of two representatives of cooperatives per voivodship. The term of office of the Council is 4 years.

2. The representatives referred to in Paragraph 1 are elected from among delegates by voivodship assemblies of delegates of the cooperatives sited within a given voivodship. Voivodship assemblies may recall their representatives before the expiration of the term of office of the Supreme Cooperative Council.

3. Delegates to the voivodship assembly are elected by governing councils of cooperatives, one each from each council. The delegates retain their mandate throughout the term of office of the Supreme Cooperative Council.

Article 15

The operating rules and procedure as well as the bodies of the Supreme Cooperative Council are defined in the statute passed by it. The statute and its revisions become effective once the Voivodship Court in Warsaw finds them, in nonlitigious proceedings, to be consonant with law.

Article 16

1. The expenditures of the Supreme Cooperative Council are funded from the dues charged to the operating costs of cooperatives.

2. The amount of the dues referred to in Paragraph 1 is determined by the minister of finance by way of an ordinance upon a request by the Supreme Cooperative Council.

3. The dues referred to in Paragraphs 1 and 2 are subject to administrative execution of financial payments on the basis of executory documents issued by the Supreme Cooperative Council.

Article 17

1. The mandates of the members of the General Meeting of the Supreme Cooperative Council expire once the representatives referred to in Article 14 are elected.

2. The Presidium and the Auditing Commission of the present Supreme Cooperative Council shall continue to exercise their duties until the election of members of the bodies of the Supreme Cooperative Council as referred to in Article 12.

Article 18

1. Cooperatives and the present Presidium of the Supreme Cooperative Council shall organize voivodship assemblies of cooperative delegates prior to 31 December 1989 with the object of electing representatives to the Supreme Cooperative Council.

2. The cost of organizing said assemblies will be defrayed from the funds of the Supreme Cooperative Council.

3. The first meeting of the Supreme Cooperative Council shall be convened by the Presidium of the present Supreme Cooperative Council. The session will be chaired by the present chairman of the Supreme Cooperative Council.

Article 19

1. The personnel of the liquidated cooperative unions and their discrete organizational units have the same rights as the employees of liquidated state enterprises, with the proviso that the benefits paid to said personnel are defrayed from the assets of the liquidated unions.

Article 20

To the extent regulated by this Decree, the provisions of the "Cooperative Law" decree do not apply.

Article 21

This Decree takes effect on the day of its formal publication.

Government Efforts To Revamp Cooperative Movement Discussed

90EP0146A Warsaw RZECZPOSPOLITA in Polish
23 Oct 89 pp 1, 2

[Discussion with members of the Society for the Renewal of the Cooperative Movement, by Maciej Urbaniak: "Cooperatives Will Not Reform on Their Own"; date and place not given; first paragraph is RZECZPOSPOLITA introduction]

[Text] The government draft law on changes in the organization and activities of cooperatives produced a

surge of protests and discussion. The government intends primarily to disband central cooperative unions and their voivodship structures. To the cooperative movement this means a forced revolution. Are such radical changes really needed? We asked this question of members of the Society for the Renewal of the Cooperative Movement: Professor Andrzej Piekara, the chairman, Attorney Tadeusz Stawski, and Attorney Adam Zabski.

TADEUSZ STAWSKI: We are to speak of the cooperative movement. But the question is whether such a movement does authentically exist at all at present considering that years of rule by the single-party state had effectively deprived it of its autonomy and at present it is largely decayed.

ANDRZEJ PIEKARA: Yes, it has lost its autonomy both as a social organization, a self-governing group, that being the basic meaning of a cooperative, and in the economic sense.

There still exist cooperative members who desire that this specific organizational form be democratic, self-governing, and governed by law. But another part of the membership can be termed cooperative members only in quotation marks; I refer to that bureaucratic, nomenclature superstructure of the single-party state whose genesis is traceable to the latter half of the 1940's, to the period of the infamous "battle for trade" and successive stages of the nationalization of cooperatives and their impressment into the command-economy system on the same principles as state enterprises, meaning the transformation of cooperatives into units implementing targets and objectives imposed on them from outside and fulfilling fanciful indicators.

The system of society is changing, and so are the state and the economy, but the cooperatives are not changing, and there seem to be no chances for them to reform themselves on their own without some strong external stimulus. Well, the draft law may provide precisely that stimulus.

ADAM ZABSKI: This is not the first attempt. Early in 1987, upon the recommendation of the Party-Government Commission for the Review and Modernization of the Organizational Structures of the Economy and State (the so-called Wozniak Commission), we drafted proposals for reforming the cooperative structures. Our recommendations influenced to some extent (despite the tremendous resistance) the course and effects of the work of that commission. But... they remained on paper.

The need for changes in the cooperatives was also agreed upon at the roundtable. But while many of the other accords reached at that "table" have been implemented, nothing has been done about this matter so far. This is testimony to resistance of matter, and chiefly to the resistance of particular individuals.

ANDRZEJ PIEKARA: The so-called top cooperative structures attended to a highly peculiar, to put it circumspectly, process of meeting the basic needs of the countryside for housing, food, and producer goods. Just consider the perks, access to priority goods, and great powers—still?—vested in the chairmen of the central unions of Spolem, Peasant Self-Help, and housing cooperatives and in their voivodship representatives. It is widely known that cronyism and cliques ruled the roost, so that the advantages accrued to those who were "more equal" than others.

TADEUSZ STAWSKI: These people still hold their old posts and cling to them. They are fighting for their jobs and perks. This is the principal reason for the wave of protests and declarations surging across Poland, especially—this is worth noting—across Warsaw.

[RZECZPOSPOLITA] Grassroots activists also are protesting.

ANDRZEJ PIEKARA: The bureaucratic apparatus of the cooperatives has had 40 years to master at least the basic techniques of social engineering. Thus it finds it relatively easy to persuade grassroots cooperative activists of its own indispensability. Some of these activists believe it and fear that a law liquidating the structures [cooperative unions] is a blow aimed at the cooperatives themselves.

[RZECZPOSPOLITA] Is not it?

ANDRZEJ PIEKARA: The cooperative movement as an authentic social and economic movement objectively needs to organize its own federative structures that would meet its needs for patronage, instruction, information, coordination, representation, and perhaps also monitoring. But it needs no structures [cooperative unions] engaging in independent economic activity (especially on such a scale) and accumulating such huge centralized funds from which they derive their great power.

The cooperative movement should be freed of the enslaving and parasitic bureaucratic superstructure. I say this again because it does not look like that parasitic superstructure is willing to depart on its own.

TADEUSZ STAWSKI: In these organizational Molochs grassroots pressure toward change is impossible. Consider for example Spolem, a cooperative union said to associate more than 3 million members. But where are their voices? Do they feel co-responsible for the assets of Spolem as a whole or even for the performance of just one village cooperative store? And what about the tenants of cooperative housing? Yes, tenants, not cooperative members? Do they have any say either?

[RZECZPOSPOLITA] But detractors of the draft law on cooperatives are citing many opposing arguments. For example, they claim that there is no need for forced demonopolization considering that horticultural and labor cooperatives are not monopolies.

ANDRZEJ PIEKARA: But somehow they failed to mention Spolem, Peasant Self-Help, and housing cooperatives.

ADAM ZABSKI: The draft law and its rationale do display some deficiencies. These provide the pretexts for attacking the basic idea—that of transition from bureaucracy to self-governance—by focusing on minor flaws. Besides, people forget that that draft law is but the first, provisional measure. It will be followed by other changes in cooperative law, changes that cannot be hastily tacked on because that law is to regulate cooperatives for years to come.

[RZECZPOSPOLITA] This coming December the cooperatives will hold a national congress. Is it not worth it to wait until then?

ADAM ZABSKI: The congress was conceived by the cooperative nomenklatura as a kind of mass rally. Thus it is difficult to expect that its results would conflict with the intentions of its organizers.

[RZECZPOSPOLITA] What about the proposal to sell the assets of the liquidated cooperative unions?

ADAM ZABSKI: That is a bit too much of a good thing; these assets are and should remain cooperative property.

[RZECZPOSPOLITA] Even though they largely derive from state subsidies?

TADEUSZ STAWSKI: The state has decreed, e.g., low profit margins, but it has compensated for them with subsidies; that was its decision, so why make a fuss about it?

ADAM ZABSKI: Many parallel solutions could be applied. Some of the assets could be transferred to joint ownership by cooperatives, both those associated in the unions and those which have had courage to secede from them. The plants operated by the liquidated unions should be converted to independent labor cooperatives founded by their previous employees and part of the assets should be transferred gratis to these labor cooperatives. One condition is that sufficiently substantial member shares should be awarded to these employees. These, by then, autonomous cooperatives should continue their cooperation with other cooperatives, though of course on normal, market principles. This would also augment the number of economic entities and hence also promote competition.

[RZECZPOSPOLITA] The regulations liberalizing the break-up of cooperatives also have been protested.

ADAM ZABSKI: Legal instruments for breaking up the assets of the giants among cooperatives are absolutely necessary. Cooperative members should be made to feel coproprietors and participators in the functioning of the cooperative organism in which they as members have a major say. The existing risk of pathological changes, of the emergence of the strongest, most modern, most

profitable departments thanks to the effort of the cooperative as a whole, to the disadvantage of other departments of cooperatives should be reduced to a minimum. It is debatable whether the role of the safety fuse is to be exercised, as envisaged in the draft law, by an anti-monopoly agency, which after all is a government agency, or perhaps rather by an economic court.

ANDRZEJ PIEKARA: There is no doubt that the measure to liquidate intermediate and central cooperative structures is a surgical, painful measure which may produce not only socially desirable effects but also harmful side effects. This has to be considered. That is why the new membership of the Supreme Cooperative Council should make sure that whatever is really of value in the liquidated structures would be preserved, rescued from oblivion.

TADEUSZ STAWSKI: But the advantages will definitely outweigh the disadvantages. Especially when considered from the vantage point of time.

FRG Economic, Industrial Aid to Gdansk Area Viewed

90EP0145B Warsaw PRZEGLAD TYGODNIOWY in Polish No 45, 5 Nov 89 p 6

[Article by Slawomir Bibulski: "Soft Soil: He Took 16 Offers to the FRG and Brought Back 80 Proposals"]

[Text] The agreement concluded between the Chairman of Solidarity Lech Walesa and the Gdansk Voivode Jerzy Jedykiewicz at their June meeting was to assure the restoration of centuries-long glory to Gdansk.

"The Gdansk region should be promoted—wherever we may be, we shall avail ourselves of any occasion to try to do something for our region...." The first such occasion arose for Chairman Walesa: in early September he left for the Federal Republic of Germany.

The idea of presenting Walesa as an unofficial minister of foreign economic cooperation consisted in providing him with a list of Polish enterprises desirous of cooperating with German industry. Willing enterprises were recruited by means of the radio, television, and press as well as through official and private channels. Some of the applications thus received were far from serious.

"There was a little misunderstanding: some companies had thought that Walesa would bring back a kind of line of credit that would be freely distributed to those who need it," Voivode Jedykiewicz explained why not all the applications were approved. "On the other hand, not all of those whom we encouraged had agreed to accept the risk of cooperating with a demanding partner: they soberly concluded that they would not be capable of it, even if offered a credit line. For by now the system of financing or perhaps of financial responsibility has changed: nowadays a firm itself applies for a loan and pays it back on its own without relying on help from the state budget. Ultimately, we transmitted 16 applications

from Gdansk Voivodship to the Office of Economic Policy of NSZZ Solidarity."

The technical aspect of the undertaking is handled by the "Doradca" [Consultant] Labor Cooperative. The nature of its operations so far as well as its personal connections (a Solidarity deputy to the Sejm, Jan Krzysztof Bielecki, is the director of "Doradca") resulted in that the selection performed by Solidarity was not fortuitous.

Jacek Siwicki, the director of the taskforce for foreign investments at "Doradca," declared, "In the West the procedures followed in establishing economic relationships are different from those in this country. A proposal cannot be drafted just on the basis of information that we need, e.g., US\$10 million to modernize a stockyard. From the Polish standpoint this is in principle a definite and exhaustive investment proposal. But a capitalist partner also requires the party of the other part to provide a technical, economic, and financial report on the enterprise and only then he is ready to sit down and start negotiating. Not one of the 16 applicants has met this requirement."

Immediately after Walesa had flown in, the Germans distributed his list of 16 Polish enterprises interested in cooperating with their firms. This was done through the mediation of the Association of German Chambers of Industry and Commerce (DIHT), which soon afterward began to receive responses whose authors for the most part desired to meet with our trade unionist number one [Walesa] on this matter. The reaction of German business was such that it seemed as if the mighty Siemens or Krupp had only recently learned of the existence of a country of the Slavs (which even has industry of its own). At any rate, the tremendous interest shown by the Germans exceeded the expectations and warranted cherishing hopes. In response to the Polish "sixteen," a list, prepared by the DIHT, contained more than 80 names!

"The Germans were dumbounded by Walesa's approach," Jacek Siwicki said. Prior to his arrival a wave of ironic comments and malicious caricatures of "mendicant Poles" surged through the press. But Walesa disappointed the expectations of the big question by declaring, "Credits are a matter of the government. We came to propose to you doing business with us." And the enthusiastic response demonstrates the scarcity of the information available so far about our country as a place for investment. Thus, the Polish Embassy in the FRG hardly did its job. Nowadays that country's view of Poland has changed. The legalization of Solidarity has become a kind of guarantee for potential investors. We are receiving written declarations of cooperation, but only with the enterprises 'blessed' by Solidarity. Likewise, the financial interest of Mrs Piasecka-Johnson in the Lenin Shipyard is being very attentively watched abroad. If this pilot project is successful, the ice will be broken. But even now it may turn out that, for the first time, Polish enterprises will be afforded the luxury of choosing among foreign partners."

The economic nature of the "sixteen" is one aspect of the promotion of Polish enterprises on the German market. There is, of course, another, political aspect, reflected in the special attitude of Poles toward doing business with Germans. "They are buying us up, and we even encourage it and are sending them prestigious emissaries to expedite the sale." This is hardly an isolated opinion. The syndrome of the German lording it over Polish land has ancient roots.

"Last April a partnership between the Gdansk Voivodship Administration and a capital consortium from Hamburg, 'Gdansk-Hamburg Investment und Handel,' was formed under German law," said Voivode Jedykiewicz, "and soon afterward 'pre-electoral' flyers declaring, 'Jedykiewicz is selling out Gdansk,' were pasted on telephone poles and bus stops (the Gdansk Voivode was a candidate for the Senate—author's note). This is obvious nonsense and I do not intend even to dispute it. I respect the caution with which my compatriots approach closer contacts with Germans, and I understand their preference for investments by other foreign capital in Poland. The snag is that that other capital is unfortunately not as willing to talk to us, and we cannot manage on our own."

The apprehensions about "the German issue" are accompanied by arguments which may be weak and may not withstand even simple criticism but still are offered. At the office of "Doradca" people claim that "certain economic circles in the FRG openly admit that their interest in investing is limited to certain regions of Poland. They place geography even above economics: they prefer Western Pomerania, Silesia, and, very willingly, Gdansk, while showing no interest at all in the Bialystok and neighboring regions.

In the aftermath, the first sixteen Polish firms participating in the promotional drive received from "Doradca" lists of potential German partners interested in active cooperation or at least in negotiating. Various assessments of this topic are highly laudatory and point to a major success of this drive. "The Pole and the German are like two brothers." Are the assessments by those directly concerned in such cooperation as positive?

The Heroes of Westerplatte Northern Shipyard received nearly the same list of eight German proposals as the two other shipyards among the "sixteen" (The Radunia Repair Shipyard and the Wisla Shipyard). Director for Economic Affairs Mieczyslaw Czapinski said, "Since Deputy Bielecki of 'Doradca' had suggested it, upon receiving the German addresses we responded immediately by dispatching telegrams (we had not been given telex numbers) that said, 'In connection with the visit of Mr. Lech Walesa we invite you to meet with us. We propose 5 or 6 September at 1000 hours. If that date does not suit you, please suggest an alternative date.' We received five replies to eight telegrams, and only two firms, Bremen Vulkan and Robert Hatecke, send us their representatives. Flender Werft AG is awaiting a more detailed proposal from us; Ostermann Metalwerke said

they would respond in a fortnight; Weserwerft Minden was no longer interested, and three firms did not respond at all. The emissaries of the Bremen Vulkan Shipyard were interested in hull components, but it so happens that this is a commodity that the Northern Shipyard itself would gladly buy from them. As for the Robert Hatecke company, it wanted to sell to our shipyard hull molds and plastic motorboats and fishing boats. Unfortunately, we too are trying to sell such goods, which are being produced by our plant in Ostroda. Thus, for the time being, nothing came of that plethora of responses. We continue to build, on the basis of earlier agreements, container ships for Reederei H. Zeppenfeld of Bremen and yachts for Jantar Jachting of Essen."

At the Organika-Fregata Chemical Works in Gdansk (sales volume 10 billion zlotys), Deputy Director for Technical Affairs Tomasz Martyni said, "We have practically no contacts with the FRG or other countries—in such a situation I forbade the acquisition of faxing machines—and therefore I sent letters to the five German firms whose addresses I was given. For the time being not one has responded. In the meantime there was the Polagra Trade Fair at which the Bayer company was represented and 'Doradca' advised us to contact them. We intended to talk with them, but they looked surprised as if to ask what did we want of them and say that they had never heard anything about it. Perhaps it is just as well that for the present no representatives of foreign companies are coming to us, considering that we cannot afford even to pay for their hotel rooms, since we have no hard currency and zlotys are not accepted for this purpose. Thus either the visitor would have to pay himself for his stay or some Polish citizen would have to be found to pay for him. Only in Poland...."

At the Unimor Electronics Plants in Gdansk Deputy Director for Trade and Marketing Janusz Sergiejuk said, "We were given only the addresses of three companies: Krupp-Atlas Elektronik of Bremen, the completely unknown Kierspe (for which not even an address was provided, only its fax number), and Siemens of Bonn. The last-named was interested in many companies so it probably wanted to demonstrate its commitment to this drive. What is our opinion of all this? I would prefer not to comment, but I believe that in reality they greatly disrespect (to put it mildly) contacts with Polish enterprises."

At the Sopot-Plast Haberdashery Works in Sopot, Deputy Director for Economic Affairs Teresa Szarek commented, "We received the address of one company in West Berlin. Unfortunately the differences in the production profile of their and our plants in principle preclude cooperation. Perhaps another time?"

At the Radmor Radio Works Deputy Director for Administration and Trade Edwin Leski said, "We were given the addresses of four German companies: Krupp-Atlas, with whom we have had contacts even earlier; two others whose production profile is totally unknown to us, and a fourth company which engages in manufacturing

aluminum pots, tea kettles, and cutlery, and which thus hardly seems to have anything in common with radio electronics. But just in case we sent out invitations to all four, of course in writing because, given the present level of our telecommunications, we can avail ourselves of no other means of communication."

The negotiations still continue, and may yet produce effects. Besides, the Gdansk-Hamburg company itself also has not yet taken wing, even though it has already opened in Gdansk its own store selling building materials (furbishings for dwellings) and soon Polish goods will be sold in Hamburg. Unfortunately, they are traditional: forest products, geese, turkeys, ducks, potato products.

In Gdansk they are not giving up. On 29 October a delegation of West German industrialists along with one senator arrived in that city upon the invitation of the first secretary of the Gdansk Voivodship PZPR Committee.

Solidarity Activist Blamed for Recent Suwalki Combine Strike

90EP0146B Warsaw RZECZPOSPOLITA in Polish
23 Oct 89 p 3

[Interview with Tomasz Romanczuk, director, Romincki Agricultural Kombinat, by W. Krawczyk: "That Strike Was Inevitable"; date and place not given; first two paragraphs are RZECZPOSPOLITA introduction]

[Text] The strike at the Romincki Agricultural Kombinat in Goldapi (Suwalki Voivodship) lasted 45 days. There were two antagonists there: Director Tomasz Romanczuk (PZPR deputy to the Sejm) and Monika Borowska-Kolankiewicz (chairperson of the Solidarity Organizing Committee at the kombinat). That strike, the longest known so far, stirred many emotions not only locally, for it has exacerbated the relations between Solidarity and the PZPR and has become the subject of many media broadcasts and articles as well as having prompted several official declarations and the arrival of a special government-parliamentary commission and a group of PZPR Sejm deputies in Goldapi.

I asked Tomasz Romanczuk, the kombinat's director, whether that strike was necessary.

[Romanczuk] It was inevitable, ever since Mrs Monika Borowska-Kolankiewicz ceased to be the chairperson of the Pojezierze Provisional Regional Board of NSZZ Solidarity and returned to work at our kombinat. As known, Mrs Monika Borowska's departure from "Pojezierze" was not regretted and, what is more, that regional Solidarity board began to distance itself officially from her activities. In such a situation, having tasted power, that lady found it necessary to attract regional and national attention. Immediately after coming to the kombinat, she founded a second Solidarity chapter, competing with the already existing chapter, and

declared that owing to the strikes which she had organized she already got six managers fired. I was to be the seventh. I knew that a confrontation was coming, because she and I knew each other even earlier. Even while she still was a member of the ZSMP [Union of Socialist Polish Youth], to which I, incidentally, had admitted her myself, she already was aggressive in that ultra-Bolshevist manner.

[RZECZPOSPOLITA] But it was not Monika Borowska-Kolankiewicz alone who took part in the strike. It seems that some 200 other persons also took part in it.

[Romanczuk] Two hundred out of the one and one-half thousand persons working at the 14 plants of the kombinat. The strikers were mostly young and resolute persons with short work seniority at the kombinat. I believe that to them it was a kind of romantic lark appealing to their youth. Some of them occupied offices of the management while others organized a hunger strike at the City and Gmina Administration. All these people were under the great influence of Mrs Monika Borowska. She had promised them that during the strike they would continue to receive their regular pay, although I warned them that this would not be so. The Senators Litynski and Romaszewski, during the signing of the agreement, also agreed with me that the plant would pay them no wages during the strike and that any eventual compensation should be received by the strikers from the strike fund. This opinion was besides included in the accord. The strikers are entitled only to an advance on their next pay period.

[RZECZPOSPOLITA] The rebellion of part of the workforce against you was not, however, rebellion for rebellion's sake; it also brought to light particular problems and demands, including the demand for slashing the top administrative staff. Is not that staff too large?

[Romanczuk] There are 27 senior administrators. In terms of the number of hectares and aggregate workforce, this is the smallest staff in the voivodship.

[RZECZPOSPOLITA] Another demand was that the operating cost of the Kociolek Inn at which the kombinat's management often houses various outside delegations, should be revealed.

[Romanczuk] It is accessible to all, 6 days a week. I admit that we used it to receive delegations from, among other places, Lithuania and the GDR.

[RZECZPOSPOLITA] Did the kombinat pay for their stay?

[Romanczuk] Yes, but in return our representatives are hosted by foreign partners.

[RZECZPOSPOLITA] The strikers also condemned the drunken debauches at the plant health service center, demanding that you replace its personnel. Was that demand groundless?

[Romanczuk] This is a barefaced accusation which will, besides, be investigated by NIK [Supreme Inspectorate of Control] inspectors who will arrive in Goldapi on 23 October.

[RZECZPOSPOLITA] Could you comment on the wage and social demands of the strikers?

[Romanczuk] Here people earn more than at neighboring state farms. For example, the average earnings for August amounted to 300,000 zlotys, which at the time was not little, and in the last 10 years 85 percent of the workforce were allocated housing for which they pay no rent, paying only for heat and water. Moreover, the kombinat is the best-equipped in the voivodship: we have the most tractors, cars, and machines, as well as the best servicing. Really, there is no reason to complain when compared with the nationwide standards.

[RZECZPOSPOLITA] Could you sum up the results of the strike in Goldapi?

[Romanczuk] It has resulted in a loss of about 100 million zlotys, and its consequences will still be felt next year as well. It is only now that we are harvesting corn and beets, and there is discord among the workforce. At five plants a strike alert has been declared against the agreement which I had signed with the Solidarity Organizing Committee. Of the 14 demands, one has been met, properly speaking: we hired Mrs Monika Borowska-Kolankiewicz. As of 16 October she has been the kombinat's senior specialist on cultural and educational affairs, with a salary of 180,000 zlotys [monthly] plus benefits.

Construction Shortages Blamed on Internal Privilege System

90EP0145A Warsaw RZECZPOSPOLITA in Polish
16 Oct 89 p 3

[Article by (z): "Enterprises Are Gripping and Selling"]

[Text] In construction, as throughout the consumer goods market, shortages of materials and components are experienced. It might seem that these goods are worth their weight in gold and that no construction enterprise would deprive itself of them for even the highest price. As known, an entire apartment building will not be released for occupancy if just one apartment is missing a sink or a heater.

All inquiries with and reports from construction enterprises reflect complaints by their management and construction site heads about inadequate and sporadic supplies of products and materials. The situation at plumbing-installation enterprises is particularly tense. Such is the image of the situation presented to the society. But these shortages can also be viewed from another angle.

The Inspectorate of Materials Management conducted inspections of materials management at construction enterprises during 1988 and 1989. Their results exceeded all expectations. For example, inspections of 15 installation enterprises turned out that during these years they made numerous sales of scarce materials and products, and in no small quantities at that.

Altogether, these 15 enterprises sold 146 km of black steel pipe, 54 km of galvanized pipe, 10.5 km of polyvinyl pipe, more than 10,000 sections of cast-iron pipe, 5,500 items of vitrified-clay pipe, and more than 12,000 sections of concrete pipe. But not only pipe was sold. Thus, these enterprises sold more than 400 bathtubs, 500 drainboard sinks, 800 washbowls, 800 toilet bowls, and 6,400 sq m [as published] of cast-iron radiators. Readers not in the know should be informed that these quantities would suffice to meet completely a year's needs of the average plumbing-installation enterprise. Of a certainty, these materials and products ultimately ended up in new houses or apartments, but unfortunately not in the dwellings for which applicants have been waiting for years.

An enterprise may sell building materials to its employees: this is one of the privileges of that occupational group. In the presence of drastic market shortages this privilege is, to say the least, debatable from the social point of view. The provision, however warranted otherwise, of any loopholes for sale of materials means acting against the interest of the society as a whole. The more so considering that, as inspections by the Inspectorate of Materials Management reveal, the supplies thus sold by these 15 enterprises alone could have sufficed to furnish at least 400 dwellings.

And subsequently once again we will learn that the plan was not fulfilled owing to shortages of scarce materials and products. To round out this report, it should also be added that the Inspectorate's inspections revealed equally high proportions of sales of cement, power cable, and vinyl floorings to individuals having nothing in common with housing construction. Is this defective priorities or defective thinking?

GERMAN DEMOCRATIC REPUBLIC

Author Scores SED Social, Educational Policies

90EG0050A East Berlin WOCHENPOST in German
Vol 36, Vol 43, Oct 89 p 3

[Article by Christa Wolf: "We Haven't Learned That"]

[Text] Two weeks ago, after a reading in a small Mecklenburg town, a physician implored those present, who had very quickly turned the conversation on literature into a political discourse, at least to express their opinions frankly and clearly in their place, not to allow themselves to be intimidated, and not to do anything against their consciences. In the silence that followed his words, a woman said quietly and sadly that they had not learned that. Encouraged to continue, she told of the political and moral development of her generation—those just under 40 years of age—in this country: how from a very young age she was urged to conform, not to get out of line and, especially in school, to be careful to express the opinion that people expected of her so as to ensure for herself a life without problems, which was so important to her parents. A permanent schizophrenia had left her empty as a person. Now, said this woman, she cannot all of a sudden "talk frankly" and express "her own opinion." She does not even know what her own opinion is.

This situation is shocking but not surprising. It is shocking also because for many years the educational authorities, which are largely responsible for this, have denied it, made this strictly taboo in public and stifled it under resounding reports of success; for everyone who nevertheless pointed out fundamental distortions in the objectives and methods for the education of young people in our schools was and possibly still is accused of being a political opponent. Critical books, plays and films on this subject had a hard time. The media remained silent and, even worse than that, they cloaked the essence of the problem—the fact that in the schools our children were taught to be untruthful and were damaged in their characters and that they are led by the nose, incapacitated, and discouraged—with wordy and flowery nonsense in which pseudo-problems are served up and resolved in no time at all. (I take my hat off to the teachers who, fully cognizant of the situation and often near desperation, have sought to give their pupils some room in which they can think freely and develop). The organizations supposedly created for them, which more controlled the young people than made it possible for them to practice independent democratic action, generally let them down. Those suffering this misery had to view the deplorable situation as unalterable. It is my conviction that precisely these experiences, in which they were abandoned by almost all adults, have driven many of them away. We could see the result on Western television: masses of young people, who mostly are fleeing the country light-heartedly. They are well-educated specialists, secretaries, nurses, physicians, saleswomen, scientists, engineers, waiters, and streetcar

drivers. What more do they want, after all they had everything, I heard older people say, who themselves had no real youth.

They had everything except the possibility of sharpening their critical consciousness in competition with other view, of showing their intelligence in educational materials and taxing it in a social activity that is meaningful to them, and of making experiments, including those that subsequently fail. Also, of living out their delight in contradiction, their insolence, their eccentricities and whatever else the vitality of this period of life gives to them in a productive way, that is, of getting to know themselves, of practicing upright behavior. In this connection, what has become of the pupils from the Carl von Ossietzky School in Berlin-Pankow, who did precisely that and were therefore expelled?—a mockery of the name of the school. When, if they so desire, will they be able to continue to attend school? And, when will those be taken to task who ordered the use of force against young nonviolent demonstrators and uninvolved persons? When will the occurrences at police stations, in garages, etc. be investigated and made public and those who followed these orders punished?

Do such things exist elsewhere in the world? I know they do and I have observed them myself. But we do not live somewhere else but precisely here in the part of Germany that has been a state for only 40 years, which has designated itself a "democratic republic" and calls itself "socialist," all as a conscious alternative to the other German state, which certainly does not want to be socialist, is richer than ours for a number of reasons and, if no other values here compensate for the lesser material well-being of the individual, represents a permanent enticement, especially for young people. For myself, it was a relief when, probably first in Leipzig, the chorus of "we want out" was answered by the still growing chorus of "we are staying here." Someone said to me in those days: we must save the GDR. "What did we do wrong?" a woman about 60 years old asked me in the group of readers that I mentioned at the outset. She spoke of how greatly her own life is interwoven with the development of this state; how she clings to the objectives to which she was committed in her youth. I understood her very well. Of course she does not want to negate 40 years of her life; naturally we cannot and do not want to erase 40 years of history. But we are facing a difficult task: to reinvestigate the preconditions of this history and their course stage for stage and document for document in the light of its results and the requirements of today. In the process, a large number of dogmas now believed by only a few will fall, among others the dogma of the "victors of history."

This slogan—we 200 people in our "literary discussion" were in agreement on this by late evening—has helped to complicate understanding between the generations in our country. For pragmatic reasons and at some point in time that cannot be determined precisely, a small group of anti-Fascists that governed the country transferred its triumphal consciousness to the entire population. The "victors of history" stopped coming to terms with their

real past, that of the fellow travelers, the deceived and the believers at the time of national socialism. They generally told their children little or nothing of their own childhood and youth. Their latently bad consciences made them unfit to resist the Stalinist structures and mentality, which were long considered a criterion for "partiality" and "following the party line" and to this day have not been abandoned radically and publicly. The children of these parents, now fully "children of the GDR"—unsure of themselves, incapacitated, often injured in their dignity, not very accustomed to standing their ground in conflicts and to resisting insufferable burdens—could not, in turn, give their children enough support and strengthen their backbones and give them values other than the striving for good grades that could give them some orientation. I know that this is a pattern that has as many variations as there are families. Full of rage and sadness, however, here I am undertaking only an initial approach to the subject of "young people" and I know that they themselves, the young people, will take up this subject and talk about themselves. Perhaps people will finally listen to them and admit that torch-light processions and mass gymnastic drills indicate and magnify an intellectual vacuum but are not suitable for producing those ties that can grow only by actively sharing in the responsibility for the society.

The pent-up demand in many areas is enormous but it seems to me that we are learning more quickly in these weeks, indeed not least from the young people: from

their seriousness, their perseverance, their humor, their inventiveness, their fantasy, and their willingness to be involved. (It is hoped that we will collect many examples of the people's literary ability that we are now seeing without restraint in announcements, street choruses and leaflets). I am impressed by the political maturity in the talks and discussions that I have experienced or heard about. A miracle? I do not think so! We have learned from many sources, not least from the news on the reform processes in our neighboring countries. We have also learned from good teachers, naturally, but above all, I think, from each other. Everywhere we are seeing a reservoir of experience and willingness to take action. Whereas it was once said—again, I am speaking of my meeting with readers—that everything is accepted a hundred years later in Mecklenburg, I must contradict this. Not at all! On that evening, turning to that young woman whom I mentioned at the outset, we also spoke of a metaphor that Chekhov once used: he must "squeeze the slave out of himself" drop by drop. During these weeks, it seems to me, many of us are squeezing "the slave" out of ourselves by the liter. But we ought not deceive ourselves about this: the traces of incapacitation will continue to act in many people as, for example, economic distortions. Heretofore it has primarily been the liberal arts—often attacked for this—that have noticed and described such phenomena. How nice it would be if journalists, sociologists, historians, psychologists, social scientists, and philosophers would likewise do their duty publicly.

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